FBIS DAILY REPORT

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U.S. MILITARY AID RESUMED; PAZ MEETS BANZER

PY250132 Paris AFP in Spanish 2209 GMT 24 Sep 85

[Excerpt] La Paz, 24 Sep (AFP) -- Military sources disclosed here today that the Bolivian Armed Forces will begin to receive U.S. military aid, which has been frozen for the last 8 years. The newspaper MERIDIANO also carried this information, specifying that this aid will allow the Army, the Navy and the Air Force to be re-equipped with arms, transport vehicles, supplies, communications facilities and barracks for personnel.

MERIDIANO indicated that the mid-level officers of the Armed Forces are in favor of the liberal economy measures that President Victor Paz Estenssoro enacted on 29 August. The military men also feel that these measures will restrain the labor leaders.

Meanwhile, it was reported today that Paz Estenssoro recently met with Nationalist Democratic Action (ADN), leader and former president Hugo Banzer Suarez and the two agreed on the need to strengthen the democratic system. This report was released by ADN Deputy Guillermo Fortun Suarez who also said that the Government-Bolivian Labor Federation confrontation must be resolved through fraternal dialogue.

MINISTERS JUSTIFY STATE OF SIEGE IN CONGRESS

PY241435 La Paz Cadena Panamericana in Spanish 1130 GMT 24 Sep 85

[Text] Yesterday, during the congressional session, Foreign Minister Gaston Araoz Levy and Interior Minister Fernando Barthelemy took turns explaining to the congressmen the executive branch's viewpoint and justification for the exceptional step taken by the government.

The foreign minister stated that the country faced a serious threat from internal unrest. He referred to serious actions that upset the people and tarnished the country's image abroad, such as the stoppage of services provided by the National Telecommunications Enterprise (ENTEL). Araoz Levy stated that the government had at no time violated the Constitution and that the state of siege seeks to protect the state and allow the continuity of the democratic process.

Araoz Levy stated that the enforcement of the state of siege was in strict compliance with Article No 111 of the Constitution in view of the serious danger of internal unrest. He referred to a message delivered by President Paz Estenssoro who called for a peaceful solution to the problems. Araoz Levy stated that internal unrest and the disturbance of the social order had occurred. He added that the Bolivians are fed up with living in a state of anxiety [words indistinct] authorities that keep public order and the national security.

Further Report

PY250415 [Editorial Report] La Paz Radio Illimani Network in Spanish at 2220 GMT on 24 September begins live coverage of the extraordinary congressional session from the Bolivian Congress Hall in La Paz. The session, which adjourned last night, is resumed and Interior Minister Fernando Barthelemy Martinez continues to explain why the government implemented the state of siege. The minister notes the damage caused by the labor unions of organizations such as the Central Bank of Bolivia, the Bolivian Mining Corporation, and the Bolivian Oil deposits, as well as by the Bolivian Labor Federation [COB].

He then says: "I have taken the liberty to briefly list the violations carried out by so many union leaders and public servants in order to show you, honorable national representatives, the state of internal commotion that prevailed in the country and the urgent need to implement a state of exception." Minister Barthelemy then recalls that government invited the COB to engage in a dialogue, a proposal which was accepted at first and then turned down, thus prompting the government to decree a state of siege.

The interior minister then says that "to suppress guarantees does not mean to eliminate them" and explains that union leaders who engaged in attitudes that could have led to subversive actions and who were arrested were not mistreated. This was admitted by COB leader Juan Lechin Oquendo himself. The minister ends his statement by asserting that calmness prevails throughout the country and thanks congressmen for their patience in hearing his explanations.

Defense Minister Fernando Valle begins speaking at 2330 GMT. He says there is great interest in learning about the Armed Forces' role in the democratic process. He adds that the Armed Forces have contributed to solving the serious economic situation and that they cannot merely act as spectators of the problems the country is enduring. He ends his statements by pointing out that the Armed Forces will be constant and firm in safeguarding the Constitution and the stability of the government and the democratic system.

Planning and Coordination Minister Guillermo Bedregal speaks next. He begins by noting that during yesterday and today's session, Congress has heard the executive branch's reasons for implementing a state of exception, "a tool aimed at restoring social peace." Minister Bedregal gives a detailed account of the damage that the constant strikes have caused Bolivian production and notes that these strike have also affected Bolivia's chances of meeting its foreign commitments. He says this emergency measure by the government in compliance with the Constitution does not seek to cause confusion, that the government has acted in good faith, and that it will restore the confidence of the Bolivian people. Bedregal states: "The members of the executive branch, as the interior minister has stated, are willing to open all the doors necessary for an understanding, agreement, and a fraternal dialogue." The minister ends his statements by pointing out that president must "defend the Constitution, abide by the laws, and see that the laws are respected."

After Minister Bedregal concludes his statement the president of the Congress proposes that the session adjourn until tomorrow at 2200 GMT. The motion is approved by a majority.

ARRESTED UNION LEADERS CHOOSE TO LEAVE COUNTRY

PY241539 La Paz Cadena Panamericana in Spanish 1130 GMT 24 Sep 85

[Text] The Interior, Migration, and Justice Ministry yesterday issued a communique stating that exercising their rights as citizens, union leaders (Liber Porti), Jose Justiniano (Ligeron), Fernando Fuentes, and Felipe Tapia Quispe left the country Monday morning. The communique states that these individuals were arrested during the raids conducted by the state security services while enforcing the state of siege. In letters addressed to Interior Minister Fernando Barthelemy, the detainees asked that they be allowed to leave the country of their own will. The petitioners left the country aboard a Lufthansa airplane. They were issued passports with a tourist visa.

MINES MINISTER CONCERNED OVER U.S. PROTECTIONISM

PY231700 Santiago Domestic Service in Spanish 1100 GMT 23 Sep 85

[Text] Mines Minister Samuel Lyra has voiced the copper exporting countries' concern over the moves made by several sectors of the U.S. Congress to adopt protectionist measures. The minister stated that those measures seek to establish a number of obstacles for copper imports to the United States in order to try to solve the problems that the U.S. copper industry is facing.

Minister Lyra, who is also president of the Intergovernmental Committee of Copper Exporting Countries, recalled that the so-called (?graham) law is currently in force in the United States. According to this law, the United States will vote against any loan by an international organization for cooper production in other countries.

Lyra pointed out that this law would not affect Chile in the short term, but that in the long term it could represent a serious obstacle because, although the United States does not have a veto right in the international organizations, it might seek the support of other nations for its aims.

DEL VALLE LEAVES FOR UN GENERAL ASSEMBLY MEETING

PY231712 Santiago Domestic Service in Spanish 1100 GMT 23 Sep 85

[Text] Foreign Minister Jaime del Valle has left for New York where he will participate in the 40th UN General Assembly sessions. Jaime del Valle was seen off at Arturo Merino International Airport by high-ranking officials of the Foreign Ministry and government.

The foreign minister's retinue is formed by the Foreign Ministry cabinet chief, Rodolfo Serrano, the director of overall policy, (Raul Urtiez), the director of multinational policy, [name indistinct], and adviser (Sergio Renon).

Foreign Minister Del Valle will address the UN Assembly on 3 October to describe Chile's position regarding the international situation. During his stay in New York, Jaime del Valle will hold meetings with some 20 Latin American, European and, especially, Asian foreign ministers.

EXPLOSION KILLS 2, INJURES 1 IN CHILLAN

PY241553 Paris AFP in Spanish 0338 GMT 24 Sep 85

[Text] Chillan, 23 Sep (AFP) -- Two supposed Chilean insurgents died last night, torn to pieces, when a bomb they were handling exploded in a house in Chillan, 400 km south of Santiago.

Police sources reported that the individuals were identified only by the names of Jorge and Moises. The two men, 25 and 30, respectively, were mutilated by the shock wave that also injured a young woman. The sources added that the explosion demolished the house. When security services agents arrived they deactivated three other bombs and found some watch mechanisms and subversive literature amid the debirs.

Further Report

PY241917 Santiago Domestic Service in Spanish 1730 GMT 24 Sep 85

[Excerpts] The police have discovered five letter bombs in the room where two extremists died when a powerful bomb went off.

As reported earlier, this action took place yesterday at 1855 in a poorly-built home located on 305 (Roupanco) Alley, (Ferretera) district, Chillan.

The initial findings revealed the existence of five letter bombs inside the room. The letters were not addressed. Besides the letters, the police also found two dynamite bombs, weighing 2 kg each.

STUDENTS DEMONSTRATE AGAINST LABOR MINISTER

PY240338 Santiago Domestic Service in Spanish 2300 GMT 23 Sep 85

[Excerpts] Violent demonstrations took place at noon today near the Pawn Shop on 12 February Street when students of the Catholic University greeted Labor and Social Security Minister Alfonso Marquez de la Plata with antigovernment slogans and rock-throwing. Security forces posted near the university entrance had to use tear gas to break up the demonstration during the dedication of new facilities at the university. The attacks took place on the university campus and in the surrounding area.

STUDENTS, POLICE CLASH AT FUNERAL OF PCCH MILITANT

PY250245 Paris AFP in Spanish 0123 GMT 25 Sep 85

[Text] Santiago, 24 Sep (AFP) -- Hundreds of Chilean university students today clashed with police during the funeral of Communist Party PCCH militant Julio Santibanez Romero, who was reported missing 1 week ago. Santibanez' body shows evidence that he was tortured, according to his fellow students.

Carabineros resorted to tear gas and pellets to break up the student demonstration at the cemetery where the students were shouting antigovernment slogans and displaying posters of the banned Communist Party. The students reacted by stoning the policemen.

According to Santibanez' father, the 24-year-old man graduated from the Santiago University school of engineering and was on his way to work on 17 September when he disappeared. Julio Santibanez' body was identified by his father at the Santiago Forensic Institute and according to the latter the boy had been beaten to the point that several bones had been broken.

Student leader Ruben Hermosilla said the government will be asked to thoroughly clarify the circumstances under which the young leftist militant died.

APPELLATE COURT INDICTS SEGUEL, BUSTOS

PY240302 Santiago Radio Chilena in Spanish 2330 GMT 23 Sep 85

[Exceprts] The members of the Sixth Appellate Court of Santiago have unanimously decided to indict union leaders Manuel Bustos and Rodolfo Seguel for three alleged violations of the state internal security law.

The law punishes people who participate in or organize meetings aimed at overthrowing or destabilizing the government, people who hold unauthorized rallies in public places, and people who try to paralyze national activities. The court is made up of Judges Sergio Valenzuela and (Efren Araya) and lawyer Alberto (Sterer). In addition to the indictment, a warrant for Seguel and Bustos' arrest was issued.

Also, the National Union Coordinating Board this afternoon rejected the Interior Ministry's charges against its president, Manuel Bustos, and against Rodolfo Seguel, who is president of the Copper Workers confederation. They were indicted today by the Sixth Appellate Court of Santiago, which issued a warrant for their arrest for the alleged violation of the state internal security law.

In a public declaration, the National Union Coordinating Board said the indictment shows that the government's position is weak and that its few followers were the ones who attacked the union leaders as they left the Te Deum in the cathedral on 18 September. The board also said its rank and file are on a state of alert in view of the decision made by the court against Seguel and Bustos. The board added that the two leaders only complied with the orders of the council of confederations and federations of the National Workers Command, which sponsored the day of protest on 4 September.

Other Protesters To Be Questioned

PY250310 Santiago Domestic Service in Spanish 2300 GMT 25 Sep 85

[Excerpt] Judge Sergio Valenzuela will continue questioning the people whose names were submitted to the court by the Interior Ministry for questioning. The information given by the Appellate Court in Santiago indicates that the judge will resume activities on 25 September.

In addition to Seguel and Bustos, who are currently fugitives from justice, another 85 people were accused of participating in the tragic demonstrations on 4 and 5 September. The court appointed Judge Valenzuela to investigate and find the people responsible for those events.

COMMENTARY CRITICIZES 11 SEP PINOCHET SPEECH

PY212228 Santiago FORTIN MAPOCHO in Spanish 16 Sep 85 p 3

[Unattributed commentary: A Sad Anniversary]

[Text] Lacking generosity, General Augusto Pinochet addressed the people in his 11 September message using haughty language filled with enmity and disapproval. Deaf to the national claims expressed in various manners, some of which are becoming increasingly explosive, he threatened in his speech to increase violence and repression. Insensitive to the misery of large sectors of the population living at the starvation level, he claimed achievements which exist only in the imagination of his advisers or in bureaucratic statistics. Indifferent to the incredible and unprecedented Chilean dependency on the international centers of power, he assured us that "we are not the colony or the subjects of anyone." Blind to the efforts of a broad spectrum of political sectors, which laid aside their differences in favor of a peaceful solution, he rudely replied with insults, disqualifying expressions, and epithets such as "naive, irresponsible and ambiguous, power-greedy individuals, and surrenderers." He deliberately omitted the causes of the crisis. Seriously misinformed and possessing an out-moded political mentality, he once again used the simplistic and Manichaean device of blaming "international Marxist aggression," a paranoid and anachronistic political device which is no longer accepted by anyone. Hanging on to this device, he virtually blocked all the routes to negotiation by once again defending the current and frequently attacked Constitution and the terms of his institutional "timetable." Finally, in a manner that clearly demonstrates that he is the main obstacle, he ended his singular speech by saying that "nothing or no one will separate the government from its outlined course," no matter how much it may cost.

The only surprising thing about Pinochet's speech is his amazing lack of a grasp of the current political situation, which is characterized by the regime's dramatic isolation. Since the political right jumped off his bandwagon, Pinochet has no more civilian support than the meager ranks of the National Vanguard, the gentlemen of the UDI [Independent Democratic Union], and some misinformed people whose watches stopped in 1973, in addition, of course, to the financial right, whose lot is closely tied to the destiny of the regime. The rest of Pinochet's assets include the "monolithic" support from the Armed Forces, an institutional support that will face increased tension every day, and the action of the bullies incorporated into the sadly notorious "security services," whose last mission seems to have been to kill demonstrators, firing at them as though they were rabbits, from vehicles without license plates. In the battle to stop the social mobilization, everything was done. The forms of harsh and bloody repression were compounded with a subtle and well-mounted campaign of terror, carried out by the military, the Carabineros, and even the Interior Minister with his grotesque "visits to the neighborhoods," a campaign that was amplified by the docile and willing captive press. The same objective is pursued by the edict of the Chief of the Emergency Zone, which, by warning the extremists "to beware of the consequences," is only granting authorization for the police to fire on them.

Neither the outmoded political diagnosis made by Pinochet and permeated by his personal phobias, the practically nonexistent civilian support manifested in the ridiculous "rally" on 11 September of his supporters in front of the Diego Portales Building and the total absence of flags in the city on that day, nor the military operations to detain the social mobilization and to confuse the citizenry can at this time change the course of events.

Pinochet is a prisoner in his own labyrinth. If he keeps fighting his personal war, the outcome will perhaps be delayed longer, but it will be more radical and contrary to his wishes. If he opens up the political system he will not have the means or arguments to contain the liberalizing tide. Meantime, and this is clearly seen by the political right, Pinochet no longer retains the capacity to solve the country's grave problems. A testimony to this clearly defensive position was given by Pinochet's scant supporters stationed on the sidewalk across from the Portales Building bursting their lungs, shouting almost with relief: "He did not fall, he did not fall."

FORMER SENATOR PRAISES CHURCH EFFORTS

PY202245 Santiago Radio Chilena in Spanish 1700 GMT 20 Sep 85

[Excerpts] Santiago Cardinal Archbishop Juan Francisco Fresno's homily was qualified as very important by spokesmen from all walks of life at a time when Chile is approaching a situation of conflicts and violence. Former Senator Jorge Lavandero spoke about efforts of the church to reconcile and unite the different national sectors with the Armed Forces. However, he also wondered what the government's response to this appeal would be.

[Begin Lavandero recording] I ask myself what will be Pinochet's reply to this goodwill appeal, which represents the opinion of the whole country, of the most different national sectors. It is well known, as reported in the last polls, that more than 84 percent of the people favor a democratic change. But what will be the reply of Pinochet's dictatorship? He refused to allow the Te Deum ceremony to be directly broadcast on television in order to discredit the efforts of the church and of Msgr Fresno for reconciliation. [end recording]

Jorge Lavandero added that this is the last opportunity that we Chileans have to verify that we can return to democracy through peaceful means. Our national heroes must have made this same sort of decision to win our national independence, Lavandero said in conclusion.

PRESIDENT ADDRESSES NATION ON DOMESTIC ISSUES

PA231811 Bogota Television Service in Spanish 0145 GMT 23 Sep 85

[Address to the nation by President Belisario Betancur -- recorded]

[Text] Good evening fellow countrymen. I will take a few minutes of your time to review the positive things that have been taking place in our country lately. Quantitatively and qualitatively speaking, for the first time in several months there are more good things than bad things. I say this with regard to the attacks -- that are of course explicable -- against the government and against me and that instead of making me sad or resentful, encourage me to think things over so that we will make the least mistakes possible.

Look how great it is to live in a democracy and to have a government that respects public opinion and that understands its role of seeking the best for the country. In other words, a government that understands its role of, as children say, the scapegoat that is blamed with absolute freedom for all the bad things and very little of the good things that happen to everyone.

We must be very careful about criticism -- and as president I have been -- so that we will not close our eyes and say that so and is so is making a criticism only because he is angry about this or that and we will not pay any attention to it. No, it is not a matter of getting angry but of listening to the truth, of reexamining without arrogance what is being criticized to see what can be corrected and to thus correct it, bearing in mind what is good for the people and not just for a few.

Talking about this topic we turn to what is called the solitude of the president in the last months of his government, with most of his term completed. There is much talk about this but there is no such solitude due to many reasons. Among these is the fact that work does not give one time to be thinking about such a topic. If one feels solitude, it is because one is not working hard enough. In addition, I really feel the closeness of the common people. I feel the closeness of the people who understand and who have confidence when they see that there are efforts and goodwill that must be done. I feel that closeness when I go out without big police escorts because the people are my escort. The people accompany and protect me. The people are very good as I saw a few days ago at the Bolivar Plaza in Bogota, in Pereira, in Sonson, in El Carmen de [word indistinct], and in eastern Antioquia, places where I went to speak on education. I saw this just yesterday in Neiva and Popayan where I went to speak about the vaccination campaign and in the Bogota neighborhoods where I turned over houses without down payments and toured the correspondence university. I saw there how good the people are. I am part of those people. I come from their core. They are my people. We are the same.

Well, in any case, this builds trust. It helps to consolidate public tranquillity. I, of course, advise you hot to be misguided by the criticism of the government and the president. That criticism is natural. We are in a pre-election period. I did the same when I was presidential candidate several times. Therefore, since I know the scene so well and since I acted in that scene, I am not going to pretend I am surprised and grumble because it is my turn to be attacked. No, democracy is for everyone. It is like that saying; either everyone in the bed or everone on the floor. It will be said that these are vulgar statements by the president but this is the way we the people talk and understand each other.

The important thing is that no matter how strong or vehement the debate is it must remain within the limits of good sense and be in accordance with patriotism and the people's interests.

We are going to hold elections which will be decided by discussing serious topics. These topics should deal with solutions that will help the people. The government has the means and will to resolutely implement them so that the election results will leave a great feeling of pride with the honest way that our institutions work and the way that we will not permit fraud or armed proselytizing so that everyone will participate in that debate with absolute freedom.

I said earlier that there is a good climate because the wave of pessimism that was felt a few months ago has noticeably decreased. This does not surprise me. It does not surprise those in the government or those from other sectors who follow the vital signs of Colombian society. These signs are interconnected. For example, they strengthen the feeling of public tranquillity that we need so much.

This public tranquillity -- which although it is seemingly paradoxical -- is being reaffirmed by the great debate for peace. As a result of everything being said for or against, and due to difficulties encountered on the road, some want to quit and others regret having embarked on it, are you following me?

Public tranquillity is established within a society by comparing previous situations and taking into consideration future possibilities through means of a conscientious analysis of all developments. Otherwise, we would be living in a vacuum, in a [word indistinct] tranquillity that our peasants refer to; that is not good. We will further expand on this later when I will explain the economic process that is already showing benefits.

True tranquillity can be obtained if we know the threats; because if we know them, we can prepare to prevent them. This is true if we are really prepared for this; we should not seek solutions that appear to be the easiest to implement to implement and which might turn out to be the most harmful when the decisive moment comes.

With a speech delivered by the president, the issue of peace turned into a great national issue. It inspired everyone. It is a topic beyond the president; it is no longer a supposedly personal problem of the president. Politically speaking, although this might be highly costly to the head of state, as people on these streets are saying, the issue of peace was de-Betancurized; what a long word that is. This situation was harmful at times. The issue is now back in the hands of its natural owner, the Colombian people.

Notice developments in the past few days. The Patriotic Union met with former President Pastrana. They spoke at length with him. They held talks with Dr Galan. Former President Lopez traveled with ministers and political and business leaders to La Uribe. I welcome all generous collaboration -- always very valuable collaboration -- which has never been refused. Now more than ever before, when we are entering the stage of key definitions, undoubtedly so for the political process and for the consolidation of peace, never again are we going to talk about peace so lightly, with such an indifferent attitude, as if it was something alien to the common citizen, as something which only concerned the military and the guerrillas. No, it is something that concerns us all.

Now, thanks to the Congress, thanks to agreements reached by political forces comprising it, a package of draft bills, which makes up the institutional reforms, is shaping up. For example, decrees involving the independent handling of television, apart from interests that the ruling government might legitimately have, the publication of official ceremonies and documents, the institutionalization of political parties, and electoral political propaganda have already been incorporated into our juridical system.

Legislative chambers are now making final decisions regarding the electoral reform. They are also discussing legislative draft bills involving the reform of the congress and the administration of justice and other bills seeking the popular election of majors. They are experiencing problems, but as in previous occasions, they will surely reach great agreements in keeping with patriotic principles and as the situation warrants. Our parties will not be inferior, I am sure of that. That has been a historical responsibility. The chambers have also begun to finalize departmental and municipal reforms. They are part of a number of bills involving a program for the institutional modernization of the country. Some of them contain initiatives from the previous administration headed by Dr Turbay. I do not mind acknowledging this.

Congress will also begin to discuss an agrarian reform draft bill. Listen carefully: this bill was prepared by a sub-commission of the National Dialogue. Some people are asking: What are all those commissions for? The agrarian reform draft bill was prepared by a subcommission with the participation of all economic, political, and social sectors and was explained by the minister of agriculture and livestock. There has been some sort of initial agreement regarding this bill, which I hope will be consolidated at the congress. I would like to point to only one of the benefits of this agrarian reform draft bill: It will help overcome problems involving land tenancy as well as the possession and exploitation of land which in some regions of the country are one of the causes of public disturbances. We will also continue to implement the national rehabilitation plan or social peace plan. Despite fiscal problems, the amounts we have invested are quite considerable. We are now seeking external financing via the United Nations and a group of worldwide personalities whom I have briefed on our situation. Therefore, all those resources will be at the disposition of whoever replaces us in the government, because I believe that our administration will not receive and use those resources before the end of our tenure.

All the programs and measures I initiated to reactivate the economy and generate employment have a great significance, they have far-reaching social repercussions. All of them will contribute to bring an invaluable good -- peace. No, I am not talking about Betancur's peace; I mean peace for all Colombians. Well, all this shows the need to ensure the continuity of peace. For the country's sake, political leaders, pre-candidates and candidates to the presidency of the republic have promised to do this. Of course, our peace strategy will undergo corrections, improvements, and even changes in keeping with the circumstances, the specific views of the new administration, and electoral results. What is important is that the peace policy should continue as the reflection of the nation's utmost desire for peace, peace, peace. That peace policy does not mean that the authorities have given up their jurisdiction and duties. Without committing excesses, the authorities have been controlling violent outbreaks and affording greater protection to society each day. The recognition of the work being carried out by our Armed Forces made via various media is short of being the just amount they deserve. Yes, it is barely enough in view of their determined, courageous, and generous actions that sometimes entail the sacrifice of young soldiers, policemen, officers, and non-commissioned officers who die with honor in this absurd confrontation. I do not tire of saying: Honor and glory to our Armed Forces.

Compatriots, this communication with you is very beneficial to me, your president. It is also very beneficial to the government at large, because it is a way to report you you; to let you know that your concerns, problems, claims, and criticisms are being attended with respect, humility, affection, and love. In the past few days, the media have reported that several Latin American nations are experiencing very difficult situations: strikes, general work stoppages, uncontrollable inflation, political instability, terrorism, and intolerance. We must show solidarity with them and be confident that they will be able to overcome those tragedies -- experiencing a different situation. A scholar in our country marvelled at our capacity to tackle the most difficult problems and our ability to do well. He said that in our country, each problem always has a solution.

That is why it is good to talk not of the problems we are experiencing, but of the ones we are solving. The attitude of the people in the different regions of the country plays an important role in this. For example: Colombians, whether from a hot or a cold climate, do not believe in assuming a defeatist or bitter attitude. They do not stand at the door of their homes waiting for things to get worse. On the contrary, they confirm things to try to improve them. I am speaking about the great majority of my fellow citizens, who have a great love for their country.

Let us ask some questions. How is the economy, peace, social policy, inflation, the cost of living? How are we overcoming unemployment? What about the community's participation? What about sports, culture, entertainment? Are we winning the battle against the high cost of living? Are we preparing ourselves well, so that our beautiful democratic tradition will continue in the next elections, with full guarantees to all groups, whether of the opposition or if they agree or disagree with us?

I am going to talk a little about these issues. To begin, let me tell you this: The steps we have taken to prevent an economic catastrophe have yielded the results we expected in the domestic and international sectors. We have recovered international trust, which has permitted us to receive new foreign credit which will make possible the implementation of the coal, oil, industry and agriculture projects and to increase the bulk of our exports. We have obtained the money to finance public services: electricity, water supply, sewage, education and health for the poorest and most neglected districts in the big cities.

Here is another issue, the strict control of public expenditures, the government's expenditures, the struggle against the expansion of bureaucracy, which we have controlled. All this is allowing us to invest more money in productive activities which represent new job sources and which will allow us to improve wages a little.

We also decided to tackle unemployment. In August, the report about the creation of approximately 400,000 new jobs created by this administration in the four main cities of the country was true. We know that in 1985, hundreds of thousands of 18-year-old men were seeking jobs, and also hundreds of thousands of women, who before did not work, and many more people who want to increase family income.

The government, with the help of all of you, must face this challenge and it is doing so. Listen to this: In order to strengthen the struggle against unemployment, we held all day today a ministers council meeting with the National Council for Economic and Social Policy, CONPES, and the Monetary Fund to make some decisions, and we did make some progress.

I will tell you what we decided to do to alleviate unemployment. Let me repeat this, the success of the self-discipline program, not imposed on us by anyone, self-discipline for development, has given us a considerable margin of autonomy with which we have gradually been overcoming the rise in the unemployment level.

Now, we have the capacity to handle things, to coordinate the goals we have established for fiscal matters, for the government's resources and currency exchange, along with our plans for growth, to encourage demand, to create new jobs, without hindering in any way the collective efforts which are yielding long lasting results.

As I said, there are lights in our path. As of this moment, we will use this capacity to its maximum to handle things and to create jobs with the utmost decisiveness and prudence, and as fast as possible.

There are many factors that will immediately help to alleviate unemployment and to encourage production: the good coffee harvest, the profit form exports, the savings placed in corporations, the improvement in the interest on the national debt, the income of fresh funds from foreign loans that have been obtained, the oil investment, and the increase in gold production.

Within the framework of fiscal policy, it is possible to speed up treasury payments, thanks to the way the monetary supply has been handled thus far this year. In particular, we are going to accelerate public investments, especially in projects that create more jobs. Investments in the last quarter of the year will be a boost to the overall production increase and to the creation of new jobs.

In same manner, the good behavior of international reserves -- that is the money in dollars and in other currencies we have abroad -- has made it possible to make a gradual increase in importing machinery for industry this year. We will give this all of our attention in order to increase it to the degree that our reserves abroad increase in the last quarter of this year.

Therefore, there will be more flexibility in imports and also more opportunities for loans from the Constant Value Savings and Loan Certificates, UPAC, system. We are going to have more private construction and also more loans from the Territorial Credit Institute and from the Mortgage Central Bank. We have strengthened the Territorial Credit Institute which should create more jobs and more houses -- many more thousands of houses not requiring a down payment -- for the middle class.

The best reward for me was the smile of a disabled lady who, using the music and lyrics of an old song, told me this week on one of our streets: Mr President, I have my little home for which I hoped so long.

We also have the cooperation of the multilateral credit organizations to accelerate the disbursement of important funds with multiple effects on investments, exports, the creation of jobs, and on social and regional justice. I am talking about the most important loans: a loan from the World Bank for $250 million to finance works in rural areas with the same philosophy as that used for foreign commerce loan to rural areas. I mean a philosophy of diversification for exports to increase the production of foodstuffs, which is already beginning to yield results; in other words, to simplify the import process of goods, raw materials, and machinery for the agricultural sector, giving priority to those producers who sell locally but who also export. Part of these resources will be used for rehabilitation areas.

Here is another loan from the Inter-American Development Bank, IDB, for $50 million to the City Development Fund. It will be used for the construction of public works in cities, especially for projects that require a number of workers and in those cities most affected by unemployment.

Let us see. Here is another loan from the IDB that will also promote,as I said before, employment in rural areas, especially during the cotton harvest. Another IBD loan for $7 million will be a strategic instrument to reinforce the national plan for small industries.

On Wednesday of this week, I held a long talk with members of the small industry association, and shortly before that, a talk with the promoters of the family enterprises in Antioquia, Go ahead, you are doing very well.

These fresh loan funds will be for the small producer, who can increase the scale of productive employment complemented by the loan's supervision and training by public institutions such as the National Apprenticeship Service [SENA] and private institutions, which have obtained international recognition to confirm their valuable experience.

Another loan: a loan from the World Bank to the Rural Roads Funds for the construction and maintenance of roads in rehabilitation areas. As we all know, these are works which require a number of workers and have a great impact in balancing the unemployment situation in rural and city sectors. These loans are not just vague, philosophical ideas or illusions or remote hopes of the president. These loans are on their way. We are receiving them and their effects will not take long. We will be receiving these funds almost immediately.

Another sector. We will increase our efforts to develop agricultural and fishery industries. We will give the capital that is said to be in limbo the opportunity to join the productive cycle. This capital amounts to more than 20 billion, approximately 24 billion pesos. The capital in limbo is the foreign profit which must remain here and which will be given the opportunity for reinvestment in agriculture, industries, export products, and in other activities.

Of course, this includess the incentive of having the right to dispose of the profits obtained from such activities. All this will be complemented with a more precise and broader application of law 20. All the incentives established in this law will be granted to agricultural and fisheries industries to try to open up more jobs.

We decided this today at CONPES [National Council for Economic and Social Policy] and the monetary fund session in Hato Grande. We have also called a forum in Cali for the end of October in which Colombian and foreign businessmen will participate to analyze investment projects. More than 100 projects have already been submitted.

With the support of congress, special economic zones will be created. Congress is about to pass the bill, which promotes investment, production, exports, and employment.

As you see, dear fellow citizens, we are trying to tune all the possible instruments in order to integrate as quickly as possible all components of economic policy, without which the creation of new jobs would be a lie, an illusion. We are advancing in making possible an adjustment, growth, exports, and the creation of jobs, concentrating on every aspect, that is, on the music and on the instruments.

The cost of living has substantially decreased. In July it was below 1 percent. In August it was below 0 percent, and in the first 20 days of September increases in the cost of living have been almost nill.

Many will say, ah, those figures are from the National Administrative Department of Statistics [DANE], in which we do not believe, expecially when I talk about positive results. However, it was the DANE which during the first months of the year released figures that caused serious concern and that alarmed us. When the statistics are negative we accept them; when they are positive we do not believe them. The truth is that the DANE is a very serious institution, which makes its investigations without the intervention of the government or any other group.

In some cities, Bogota for example, the people complain about excessive taxes and about high rates in public services. Well, we have decided to pause while we study these complaints. We will take strong action so that those responsible for these unjust and unauthorized increases respond; they will even be dismissed if the charges against them are confirmed.

Our economy is recovering at a steady rate. According to the export registry of the Colombian Foreign Trade Institute [INCOMEX], new exports increased during the first 8 months of this year by 14.7 percent, in comparison to the same period last year in which exports were 11 percent higher than the previous year; while minor exports increased 16.8 percent and imports dropped 5.6 percent, because we are not permitting the import of luxury products.

If we analyze the trend of new exports during the first 8 months, we note a change in the trend, we note that from 1981 - 1985 there has been a change. There were negative annual growth rates in 1982 and 1983 of 11 and 17 percent, respectively. Since last year a significant growth rate has begun to be evident. We have fulfilled our goals by more than 100 percent. Look, agriculture and livestock sector exports during the first 6 months in 1985 were more than what we had estimated. Their fulfillment is about 108 percent. The industrial section slightly tops the established goal, achieving 101 percent of its goals. In the mining sector, the goals established in the plan were fulfilled approximately 78 percent. In the agriculture and livestock sector, the products which contributed the most to surpassing the goals established were: tobacco with 167 percent, and cotton with 124 percent. Meanwhile, in the manufacturing industry the most important products were non-metallic minerals with 169 percent, and cowhide and its byproducts with 107 percent. Last year the manufacturing industry reported a production growth rate of 9.8 percent, in comparison to 1983.

The expansion of the industrial sector was based on greater purchases by the people who, as a result of the replacement of some imports, channeled their demands through national production, which is very good and of excellent quality. Besides, the truth is that the workers increased their purchasing power as a result of the decrease in the inflation rate and the relative prices of food, all of which helped the process of reactivation. All of this freed resources for industrial production. This growth in industrial production has been the result of the control policies adopted by the government import restructions, the struggle against contraband, an adequate supply of imported raw materials, and government purchases that seek to favor national production.

We are going to continue in this manner; first, we must consume our production. Replacing imported production with our domestic production was most noticeable in those industrial sectors with a better and more available capacity for production, in spite of the not very optimistic possibilities the manufacturing industry demonstrated early in the first 6 months of 1985. This industry continues to show very good levels of production, as it has increased production by approximately 5 percent compared to the same period last year.

Despite the fact that some industrial sectors have weakened, the manufacturing industry has maintained its growth rate. Besides, the sales of textiles, soft drinks, and beer have all increased, as it was reported at the ANDI [National Association of Industrialists] congress held this week in Cartagana. There has been some criticism, I know. They say the state is too big and inefficient. We know that. However, at the same time, the ANDI businessmen have made very constructive comments.

Dear fellow countrymen, these expenses are real. They show that there is a reactivation. They prove that we are improving our economy and promoting our production. All of this naturally makes us happy and entails the gratitude of the president to the businessmen, workers, for you, because your sacrifices and work have made possible this reactivation.

Now that we are aware of most of the economic figures for the first 6 months, it is very nice to see that it is possible to have economic discipline and development at the same time, and to continue without stopping. The media -- the newspapers, radio, and television -- have undoubtedly been decisive. They have given analysis and commentaries, all of which have been very constructive. I want to admit this. Perhaps they have made some criticism, but sincerely; I must admit that they have done good work.

The government set its goals, which summarized all of the economic efforts that are being fulfilled. In other words, we have halted the decrease of international reserves. We have controlled the monetary expansion in the Bank of the Republic, within wise limits.

These goals were not easy to reach. The IMF itself considered these goals so appropriate, yet difficult, that it publicly said that if based on those goals we had asked the IMF for financial support, it would have granted it. However, we did not want to make use of this, because we would not have been able to make the social opening that I am now going to mention. For that same reason, the international financial community decided to lend Colombia a little over $1 billion in new resources. This is something no other Latin American country has been able to obtain. I am proud to say this.

The most important thing is that the studies made in Colombia concerning the quarterly growth rate of the GNP already show that the rate of growth could amount to 3 percent this year. Imagine that! It is superior to what the government itself had forecast. In other words, we made it! We were able to do it thanks to you. Dear fellow countrymen, I have decided to maintain this economic policy in order to leave everything in order for my successor. I will turn over everything balanced, and then concentrate all of the efforts of my administration during the last year on social progress. In this manner, I will be turning over a better country to my fellow countrymen. It will be done in a wise manner without any excesses, and done in a manner so that all expenses will be directed to taking care of the people's social problems.

Of course, the great success of the social policy has been to avoid the exchange crisis to which the deficit was leading us. The exchange crisis would have meant leaving industry without raw materials, without tools for lack of dollars to import them. It would have meant leaving the industrialists, the farmers, and those who render services without any equipment. This would have created unprecedented unemployment, worse than what we have now. Congress greatly assisted us in this problem. What a great Congress we have! Our congressmen helped us. What a great Congress we have! Some people think some congressmen do not work. The truth is that they work, and they work well and very hard.

I would like to suggest not that we live in the best of worlds, no, that is not what I am trying to say, but that we have seen the light at the end of the tunnel. Collective discipline has been and will continue to be necessary. There is no question that we have problems, that there is much to be done, and that we must persevere in our efforts, not only with regard to maintaining foreign exchange and fiscal equilibrium, but with regard to cleaning up finances, increasing production, and, naturally, on the unemployment front which I referred to earlier. Despite all this, our perspectives for remedies are certain. We possess reasonable alternatives. We are not swinging between despair and uptopia any longer. This is so in the first place becasue, as I said before, we possess a valuable margin within which economic thrift and social justice can be harmonized.

The need to reactivate domestic demand suggests the need for an across-the-board government salary increase more generous than the one granted this year. Naturally, we cannot go overboard, because each additional percentage point costs 4.5 billion pesos. In any event, purchasing power must be revitalized hand in hand with the need to generate employment and curtail inflation. This is the mathematical operation we have been intent on since we began the dialogue with the democratic trade union front, including the UTC [Union of Colombian Workers], CTC [Confederation of Colombian Workers], and CGT [General Confederation of Labor]

By the way, the conciliation of interests with the democratic trade unions begun in May materialized in the form of a social pact that will be released within several days. It includes agreements in the fields of health, education, social security, employment, labor affairs, and the overseeing of prices of the family basket. We will not leave room for speculation.

I have stated and will reaffirm that the government must now turn to social concerns, it must become a socially oriented government. It is called to be the catalyst for social change.

We have placed great efforts in innovating programs and methodologies. Now it is time to multiply efforts and successes. We cannot conceive that in the future the economy becomes strong thanks to coal and oil revenues while high rates of infant mortality, illiteracy, poverty, and violence continue to prevail. Therefore, as I just said, we will grow. Our minibusiness program, which is already a success with 34,000 minibusiness having signed up for the courses, will be expanded with fresh and liquid funds from the IBD of close to $7 million -- more than 1 billion pesos. I have increased literacy efforts despite the 700,000 illiterate people who have already signed up for courses. We will eliminate illiteracy thanks to the work by announcers, actors and actresses, script writers, and journalists who love their country. The same is the case with the program to provide rural areas with new schools, with the education-from-a-distance program, both made possible through the flexible financial terms of the IBD and World Bank.

Let me give you an example. Yesterday, Saturday, mothers took their children under 2 years of age to the vaccination centers for a second round of the vaccination drive which has been praised by the UNICEF and WHO because of the social mobilization observed during the drive and the solidarity of nongovernmental institutions like the church, the Red Cross, and the media -- particularly EL TIEMPO and CARACOL Network. My wife went to get her vaccinations in eastern Colombia, on the coast. I went to the south with Dr Grant, the director of UNICEF, with whom we are so indebted and whom we love. We will advance without respite in the infant survival programs, the programs to consolidate the national health system and control cancer, all of which will receive fresh financing and foreign credit. In addition to this we are organizing the national children's home through the Rafael Pons Foundation which we have established and will be run for Colombian children. This foundation will attempt to increase children's creativity.

Several days ago the National Department of Planning and the United Nations presented me with a report on the second phase of the social program for peace which, by the way, was given such a beautiful name: the attainment of peace. We will give much attention, encouraged by tangible progress we have observed not only in Middle Magdalena -- which I visited recently, and where the people are very happy because peace has been attained -- but in Caqueta and other areas. We will insist on persuasion and continue progressive works with those who approach the dialectic of legitimate and legal struggle through democratic channels, unarmed in word and in deed.

Summarizing, although we are pleased -- I am truly pleased, very happy over the progress we have made over the past 3 years despite all the problems -- and very happy, I want the last year of this administration to be remembered as the year of the great social thrust. And allow me -- though I know that I am exhausting you, but allow me to backtrack a little and briefly recount the instruments I plan to use to fulfill that aim: the social government -- to present as if in a film the advantages the adjustment that has already concluded has brought.

It was concluded thanks to you, the Congress, and the extraordinary economic team which deserves special acknowledgement. How hard and responsibly it worked! This economic team will be strengthened because the outstanding economy minister, Roberto Junguito, will continue to help us from an important embassy, and he has been replaced by another outstanding member of that economic team, Hugo Palacios Mejia, manager of the Bank of the Republic, who in turn has been replaced by the former deputy manager, Francisco Ortega, who was working with us as part of the Coffee Federation and Employment Mission. Let us review for a moment the social benefits obtained from the struggle against inflation, the participation in the peace effort, the efforts to rescue businesses and finances and modernize agriculture, and reduce government spending. Let us conclude this address by addressing these topics.

In the first place, we have met the greatest challenge threatening the country's social balance.

This is, as I said before, to avoid a foreign trade catastrophe, a trade crisis that would have left us without the foreign currency to purchase the raw materials we urgently need, such as fetilizers to produce food and materials for the factories that employ our workers. This crisis will not take place.

We have reestablished foreign financing for Colombia, as I already told you. We have controlled the fall in international reserves, we are creating new nontraditional exports and the jobs generated by them to grow at a rate of 15 percent annually. We have suspended luxury imports; no more caviar, no more champagne, no more waste, but no one can say that there are factories and businesses that are paralyzed for the lack of raw materials. Jobs, well-being, the country's development, depend on the existence of foreign currency, dollars to purchase goods, equipment and machinery.

I am enormously pleased to claim success in having achieved a balanced trade exchange and in having consolidated the elements of social progress that this represents. And why not say it: In leaving the situation solved for my successors, whoever they may be, the persons you freely elect.

Likewise, we have contributed to social progress by controlling inflation in a country where there are disorders, great social disorders, as in all underdeveloped countries. Technically, they are called structural disorders. I have said, and I repeat, that there is no social punishment worse than inflation. Look at what happens with inflation. It robs our workers of part of their buying power. It robs those who save the fruit of their labor of many years, it robs the unemployed of new job opportunities that investors would create if they did not fear that inflation would reduce the value of their investments.

Very well, ignoring the siren songs, the simplistic opinions that are not aware of social injustice and the economic damage that infaltion causes in the long-or short-term, ignoring all of this we have made every effort to control inflation. And I will see to it that during the rest of my tenure the success of our social objectives will also be measured by our success in controlling inflation.

Of course, the price of some goods and services must increase, but moderately. They will increase moderately because if the producers do not receive prices that compensate for the increases in their costs, they will cease to produce and a lack of production is the most serious cause of the high cost of living. We will make the prices of basic products stay at reasonable levels. Another thought: The social progress we are seeking, which I will seek now more than ever, also consists of participation and dialogue. I am pleased to say that I have placed persons in the highest government positions -- mainly women -- because my experience as a professor taught me that women are very, very responsible. We have named persons who learned to serve Colombia, thanks to the experiences and the criteria of the business sector. It was also a just action to give a serious labor leader the opportunity to serve the country as labor minister. I believe in what theologians describe as a state of grace, and I am certain that just as the business leaders placed the country's interests above their own interests, the labor minister, whom I have known for many years, is making decisions thinking, above all, of Colombia's interests. The labor unions have reason to be very proud that one of their own people is the vigilant guardian of employment.

Another thought: In my effort to accentuate the government's social emphasis, I will insist on a constructive and tolerant dialogue with all those people who wish to work for Colombia within our institutions, without caring what their ideological or economic concepts may be, nor the illegal activities they may have carried out during other periods, for which the Congress -- the only organization that could solve this -- decided to extend a generous pardon with the amnesty.

However, and listen to this carefully, for dialogue with peaceful groups to continue to be possible, we will not allow disturbances by persons -- who, despite the open hand that has been extended to them -- bring mourning, pain, and anguish to Colombian life. The full weight of the law will fall on these (?fugitives) with the same strength and energy we exercised last week in Cauca, Valle, and the central mountain range. With pain in our hearts, we see our boys, our soldiers and policemen, die. The offered hand will continue extended for all who accept our efforts.

The violent groups are in the minority. Sensible Colombians will inflict an impressive and decisive defeat on them if they insist on their stupid defiance. Their numbers do not justify the Colombian state's efforts to repress them, moving away from its tradition of legality and civility, nor that economic resources needed for the construction of peace be wasted on clashes. I can assure the country, my fellow patriots, that the Armed Forces have the full support they need to defeat the enemies of peace. However, this support does not have to be organized in a manner that prevents persons of good will from taking advantage of the opportunities for progress that Colombia normally offers, nor the protection of their civilian institutions. Many thanks to those who are organizing banquets here and there in honor of our Armed Forces. They deserve them. I hope that this will all result in a great national event in their honor.

I am about to finish. To protect employment and private saving, we have made great efforts over the past 3 years to support enterprises and financial companies which we believe to be essential to the country's normal development at this point. As part of our effort to consolidate the social nature of our administration, we will create new support mechanisms in the hope they will bring about a deep reorganization ensuring that my successor will find the business and financial sectors to be instruments for, rather than obstacles to his government programs.

I would like to inform you that I am issuing strict orders to economic authorities to ensure that resources involved in the issuance of stock [emision] and credit to capitalize businesses and financial institutions will not be (?concentrated). If there is an issuance of stock and credit, the general public should be allowed to obtain stocks in businesses and banks that will be (?salvaged). To achieve this, we need [word indistinct] complementary measures. We are studying such measures and, as far I am concerned, I would approve them or present them to Congress if they are under its jurisdiction. However, I repeat, the business and financial recovery must be sparked by a desire to consolidate social aspects, to benefit stockholders, and to mainly protect small stockholders.

Despite the accelerated urbanization of the country, it is evident that a large percentage of our compatriots still live in the countryside. It is also clear that a significant part of the country's total production consists of foodstuffs and agrarian raw materials.

Therefore, I asked the World Bank to help us now to boost agrarian modernization this year in the same way it did when it helped us break barriers against foreign financing. We received a positive reply. Few achievements are as important as ensuring that Colombians who live in the countryside will remain there by their own will, that they will obtain the highest yield from the land, obtain better revenues from their harvests, specializing in those products demanded by the rest of world, obtain credit and be able to pay them back, and save money and obtain good interest rates.

Look, if our peasants produce more, we will be able to buy cheaper foodstuffs and our peasants will in turn obtain greater profits. This is the social ideal [word indistinct]. With the help of the World Bank, we will be able to mobilize all our available mechanisms.

One last word about the social benefits of the reduction of public expenditures. Please forgive me for extending myself. Please forgive me, I will speak a little more.

As part of our effort to upgrade your social welfare, I want to redouble controls over operational expenditures in the government. I hope that the Congress will make a decision regarding a proposal I presented some time ago to eliminate useless entities, inefficient regulations, unnecessary requirements in order to divert resources to investments. Although we successfully reduced our fiscal deficit, that was done by increasing taxes and reducing investments. I hope that we will be able to further reduce the deficit during the social year ahead of us, but this time we want to shift the burden onto operational costs. In no way do we want to levy new taxes or sacrifice public investments. This poses a challenge for the Congress, for us as government employees, and to the public. I hope that we will all rise to the occasion. You can be sure that I will do everything needed because I am politically determined to achieve this as part of our social crusade that we will carry through to the end.

Dear compatriots, this has been the year of solidarity. Each of you has contributed a little to building a better country. You have helped in education and recreation campaigns, small business, during summer and winter emergencies, and in so many other things. You have been behind the victory of our sportsmen such as our cyclists, including Lucho Herrera, Parra, and Martin Ramirez, all our cyclists; also Evelia Martinez, our senior champion. You have also backed the triumphs of our intellectual artists. I know that each one of you is helping another Colombian. You are making improvements in your small houses, cultivating flowers, adding rooms, thanking our Lady of [words indistinct], and the Lady of La Pena, both of whom just marked the 300th anniversary of their appearance. You are also thanking our Lady of (Piquinquira), the patroness of Colombia, who will mark her 400th anniversary next year when the Holy Father visits us.

This week, as I said before, with the support of the press and radio, we will begin a beautiful campaign called "Donate a Book, Educate a Child." This campaign will provide students from poor households with learning tools. I am sure that the extraordinary support of the entire country will guarantee its success. In addition, the Presidency and the Education Ministry, with the help of the private sector, will publish the first reading book for the first and second grades and distribute them free of charge to the poorest children.

We have reached agreements with the Democratic Labor Front and intend to fulfill them to the letter. A tidying up of our economy allows us to give better salaries and wages. We have declared an all out war on scarcity; we committed ourselves to preventing at all costs outrageous increases in the cost of goods and services.

We will continue studying the labor legislation to make it more flexible, modern, and realistic, without affecting already-acquired rights. We have helped the retired people by increasing, this very week, their pension by 75 percent. We are also studying how to organize the transport system to put an end to the price war, about which I saw this week a great and pedagogic, but also terrifying, movie of film director Ciro Duran. I recommend it.

I like to tell the leaders of the country, the unions, businessmen, the creators of wealth, that the president knows their problems and concerns, that he knows of their patriotic commitments to the entire country, and that the president accepts their recommendations and criticisms because he knows that they want the best for Colombia. It is true that we have some differences, as something that emerged recently with Valle del Cauca businessmen made evident, but I have always acknowledged -- as I am doing now -- their patriotism and sincere generosity. Differences are transitory and can be eliminated. They can be overcome when we are united by the struggle for the country and the great Colombian people, and I know that this unites us.

The characteristics of our people, your characteristics, have permitted the fulfillment of objectives. We would not be searching for a more just and democratic society if all our people did not love justice, equality, and participation.

I know that I am enthusiastically interpreting with suitable love and goodwill the wishes and hopes that are deep in the heart of the people who elected me and of those who did not vote for me but who honestly participated in the elections, thus strengthening democracy. This is what true democracy is: power to decide. He who is elected is strong if he correctly interprets the needs of all the people.

How many great things a nation like ours can do when it finds the way to channel its strength and vigor and secures necessary transformation goals; when the popular sectors stop being passive spectators of a drama to become dynamic creators of alternatives, of economic and political changes; and when businessmen realize that they have a creative mission, as our great businessmen have been doing.

Dear fellow countrymen, I know my time limit and that the moment when history will pass judgment is near. My duty is to serve honestly and carefully until the last minute of my constitutional term. There should be no doubt that I will guarantee honest, impartial elections. I will guarantee the necessary security so that the struggle of ideas can be waged without any kind of physical or moral coercion.

Let those who depend on the executive branch hear me. I will not hesitate to immediately dismiss anyone mixing authority with proselytism. I will eliminate any action carried out by a public official in favor of anyone.

The political reforms now in effect have given maturity to Colombian democracy. Our fatherland is very mature. The citizen's watch will be a strict one. The people are educated and their judgment capabilities are sharp. Then, why should we distrust ourselves? We are on the doorstep of a renewal of the mandate, on the doorstep of an era of progress, and this implies having a future, and this is an expression of the people's will.

I am near the moment when I will be talking alone with history and with my own conscience. I will not cease efforts to deliver to my successor a fatherland with more progress and justice.

Fellow countrymen, may God continue helping us. May God continue giving us His light. Good night!

ARMY REPORTS CLASHES IN FLORIDA, VALLE DEPARTMENT

PA230121 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 20 Sep 85

[Text] Bogota -- At least 50 guerrillas, 1 Army officer, and 3 soldiers have died in clashes between members of the Army 3d Brigade and subversives of the 19 April Movement, M-19, in the mountains of Florida, Valle Department. The Army issued an official bulletin reporting that in addition to the officer and the three soldiers killed, three corporals and 12 soldiers were wounded. The Army also reported that the bodies of 21 guerrillas, including women and Valle University students, were found in the area where the clashes are taking place. It also reported finding a communal grave with 11 bodies.

The antiguerrilla operations are being carried out in a broad sector along the central mountain range in the southeastern part of Valle Department and in northern Cauca Department, mainly in the zones of Florida, [word indistinct], Pradera, and Corinto.

COLORADO PARTY POLITICAL RALLY SUSPENDED

PY241903 Asuncion EL DIARIO in Spanish 24 Sep 85 p 10

[Excerpt] The presidents of Asuncion's Colorado precincts have finally decided to suspend the political rally scheduled for Wednesday 25 September at the Caballero Park. The reason for the meeting was to ask the party leaders to unite, because it is said that conflicts exist within the party's Executive Board.

In a meeting held in the house of Lorenzo Romero, president of the Colorado precinct of Fernando de la Mora, the presidents of other precincts pledged their solidarity to Romero and discussed the need to organize a party rally asking the party authorities to unify their position. The rally was then scheduled for Wednesday. However, after further consideration, it was decided that the date was too close and that the meeting should be held after the municipal elections.

AUTHORITIES DETAIN MOPOCO PEASANT LEADER

PY211622 Paris AFP in Spanish 1512 GMT 21 Sep 85

[Text] Asuncion, 21 Sep (AFP) -- Spokesmen of the Colorado Popular Movement (Mopoco), a dissident group of the ruling party, reported in Asuncion today that another Mopoco leader has been detained by the authorities. The Mopoco stated in a communique distributed to the press that the authorities have refused to reveal the whereabouts of Marcelino Corazon Medina, president of the Agrarian Producers' Coordination Committee.

Medina has been holding meetings with peasant groups who encourage subsistence farming as a way of protesting the low prices offered for their products in the last harvest. Soybeans and cotton, of which there was overproduction in the last harvest, were priced by the government at a level considered satisfactory, but only 75 percent of the price was paid by the buyers, which caused heavy losses among the peasants. According to opposition sources, the authorities looked unfavorably upon the peasant movement, and this led to the detention of the peasant leader.

Medina's disappearance is added to the police detentions and banishments of Alejandro Stupfs, Enrique Riera, and Miguel Angel Gonzalez Casabianca, prominent Mopoco leaders who returned to the country almost 2 years ago after 25 years in exile and who have been under surveillance ever since.

FOUR MEMBERS EXPELLED FROM LIBERAL PARTY

PY201818 Asuncion EL DIARIO in Spanish 20 Sep 85 p 6

[Text] Liberal Party President Joaquin Atilio Burgos has confirmed that four members were expelled from his party by a decision of the Executive Board during a session held last night. Emilio Vallejos Chenu, Marcelino Concha Garcia, Francisco Sanabria, and Mario Ovidio Prieto no longer belong to the party. The decision was unanimously approved by the 24 members of the Executive Board. Dr Burgos said that the decision was based on the fact that the expelled members had made "allegations against party authorities" and had "called an extraordinary convention without the power to do so."

Vallejos leads the Movement for the Unity of Paraguayan Liberalism (MULP), which has been accused by members of the Liberal Party Executive Board of trying "to bring about the institutional collapse of the party," and of calling "a convention without the power to do so." Vallejos insists that the party leadership is ineffectual.

GARCIA COMMENTS ON MEETING WITH MEXICAN PRESIDENT

PY241636 Lima Radioprogramas del Peru in Spanish 2325 GMT 22 Sep 85

[Press conference by President Alan Garcia upon arriving in New York to attend the UN General Assembly, all questioners unidentified; date not given -- recorded]

[Excerpt] [Question] What did you talk about with President De la Madrid?

[Garcia] We asked to make the visit yesterday so we could personally express our condolences and our feelings of solidarity in the name of all the Peruvian people, in keeping with out traditional fraternal ties. We wanted to express our sympathy because the events that have occurred have hurt us as much if they had happened in Peru, so we went to say that we are at Mexico's disposal.

I also had the chance to talk with President De la Madrid about the economic relations between our countries and of the need to multilaterally strengthen the measures we should adopt regarding the foreign debt and the defense of the minerals that our countries produce. We have to defend the prices of our minerals, so we have instructed our foreign ministries to initiate meetings of the Peru-Mexico commission to try to establish an agreement on compensated trade. We would like to establish better guidelines for our trade, imports, and exports in order to attain greater unity between our countries. I think it would be more profitable for our countries if our economies were more closely connected.

We also started talks to jointly defend the price of silver since we are the two main producers. The price of silver is dropping almost daily, particularly now that the United States is threatening to sell part of its strategic silver reserves. This would further depress the price of silver, which is a vital mineral in our economies.

Another subject we discussed was the need to organize a meeting of Latin American presidents. It should first be organized by the Latin American foreign ministries and even by the foreign ministers themselves in order to discuss concrete matters during a meeting of Latin American presidents. We should not hold a meeting like the ones we held in the past in which we merely signed ritualistic and symbolical agreements without real contents.

[Question] [Words indistinct] President De la Madrid?

[Garcia] (?He expressed) concern because this year Mexico will have to use more than 50 percent of its export income to service its debt. This is a dramatic situation for this country, which has had to make brave efforts in its economic adjustments. It has had to reduce its deficit in the last 2 years, as well as its income level. However, in this way it has managed to maintain the levels of employment and the productive apparatus. However, we believe it is imperative that we begin joint negotiations to try to make the richer countries share their responsibility for the debt problem.

[Question] Mr President, (?would) Mexico support the Peruvian position of paying the foreign debt with just 10 percent of its export income?

[Garcia] Peru's position is a concrete answer to Peruvian problems. We share the same problems and expectations in trying to slowly adopt positions according to an increasingly hard situation and in trying to lead to joint negotiations.

[Question] Mr President, the talks between Mexico and the IMF have already become difficult. Did you talk about this? Will Mexico and Peru adopt a joint position on this problem?

[Garcia] No. I believe that gradually everything is leading to the joint treatment of the foreign debt and the international monetary system. We must not forget that besides the problem of the foreign debt, there is also a very grave problem with the monetary system that was caused in 1971 with the declaration that the dollar cannot be converted into gold, which has made the United States the only country that issues an international currency. Therefore, it is the only country that the IMF cannot force to cut its deficit, because the United States issues its own currency, which is also an international currency. This unfair situation, which should slowly begin to change, reveals the background of our own foreign debt problem.

I am convinced that Mexico, which has always maintained a favorable behavior toward Latin America and multilateralism, will decisively support a common solution for the Latin American countries.

MINISTER SAYS OIL COMPANIES OPERATING NORMALLY

PY241509 Lima Television Service in Spanish 0115 GMT 23 Sep 85

[Text] Energy and Mines Minister Wilfredo Huayta this morning announced that the new oil law is being awaited before talks are begun with the foreign oil companies interested in conducting exploration and exploitation activities in our country.

[Begin recording] [Huayta] I have informed the first vice president mainly about the situation of the oil companies. I have told him that operations are being carried out normally, there have been no changes, and the Occidental Petroleum Company is operating normally with the prices it has been ordered to adopt. Oxibridas is also operating normally, Ladelco has requested the expansion of its field operations which is a matter that we are discussing and which will possibly be resolved by tomorrow. This company simply wants to expand its operations because it wishes to drill more wells, but these are just details. Therefore this means that the oil situation is normal.

[Reporter] What about the Peruvian State Petroleum Agency [Petroperu]?

[Huayta] Petroperu is a company that is reorganizing itself within a 120-day limit ordered by the law. However, it is also working normally despite our reorganization process which seeks to make it an efficient company.

[Reporter, interrupting] Petrobras?

[Huayta] Petrobras is a Brazilian oil company that wishes to work in Peru so we are trying to facilitate matters. I wish more companies would also come to work here.

[Reporter] Will Petrobras come to Peru?

[Huayta] They want to come, and there are many fields that they may be allowed to explore. [end recording]

OIL COMPANIES CHARGED WITH IRREGULAR ACTIONS

PY241724 Lima Television Service in Spanish 0115 GMT 23 Sep 85

[Excerpt] Deputy Jose Carrasco Tavara, president of the Hydrocarbons and Energy Committee of the Chamber of Deputies, has reported that the Belco Oil Company has committed several abuses and irregular procedures to the detriment of the Peruvian state and workers.

[Begin recording] In Iquitos, we were able to verify that the Peruvian State Petroleum Agency [Petroperu] has managed to reduce its operations costs by 25 percent because of its reorganization program.

However, in Andoas, we were able to verify that since beginning operations, Occidental Petroleum Company has been seizing 900 barrels of Peruvian oil per day. This oil is worth approximately $23,400. This means that Occidental has siphoned off millions of dollars in oil.

In Talara we saw how Belco tries to blackmail the Peruvian Government first by not launching an off-shore oil platform to exploit oil from the continental shelf and then by trying to take the platform to the United States, pulled by tugboats, with the stated purpose of stabilizing oil exploitation and lowering production. We were also able to see how Belco improperly allows 10.8 million cubic feet of gas to escape daily from the wells. This represents a $50-million loss.

We could also see the inhuman conditions in which the Belco workers are living. We must not only lament this but denounce it publicly. It is unacceptable to allow Peruvian workers to be treated in such a low and inhuman manner. I will request the Labor Ministry to investigate working conditions on the sea platforms. Men do not even live to be 50 years old because of the treatment they receive. Moreover, we promised the Belco workers, who had been threatened by the company with the nonpayment of their salaries, that we would help. We could see that Belco has only 500 registered workers on its lists, but about 1,500 or 1,000 are underemployed, that is, they were hired by contractors [sentence as heard].

This is incompatible with our laws and the oil business because this really is a very rich industry. Peruvian wealth has been taken away by the foreign companies.

We will propose that no further negotiations be conducted with Occidental, Belco, and Oxibridas companies. The Oxibridas company simply exploits with different machinery and recovers already drilled wells that were formerly used by other companies. Petroperu is very capable of carrying out these operations. [end recording]

MINISTER OUTLINES JUDICIAL BRANCH REORGANIZATION

PY241757 Lima Telvisora Lima in Spanish 0315 GMT 24 Sep 85

[Text] Justice Minister Luis Gonzales Posada today met with the members of the Supreme Court. At the end of the meeting, he announced the measures that his ministry will adopt to reduce and revise prison sentences [despenalizacion].

[Begin Gonzales recording] I told the members of the Supreme Court that we are ready to assume a real commitment to resolving the penitentiary problem, and we are going to resolve it. But several sectors must participate in this effort. We are faced with very rigid laws and regulations that prevent a prisoner from being granted provisional freedom, a conditional sentence, or a pardon, as the case may be.

We have announced that the central government has approved and sent to Congress a bill that provides for provisional freedom when the crime is punished with a sentence of not more than 4 years imprisonment; when the person has been in prison for an equal amount of time, or more, than the period of time demanded by the sentence that would be handed down for the crime that has been committed; a reduction in the time that is used for a hearing a case; and there will be the possibility of provisional freedom, conditional sentences and-or pardons for petty crimes that cannot be granted now due to the current legal rules and regulations.

We also told the members of the Supreme Court that a bill is now being drafted that calls for accelerating trials. It is called the Trial Agility and Swiftness Bill. In addition, we reported that we have received a bill to this effect from the prosecutor's office. This was offered to us last week, and the members of the Supreme Court told us that they have also adopted measures to this effect. Thus, we agreed to create a tripartite committee that will outline the guidelines for this objective.

I wish to stress that these are the basic aspects, because we can do very little if we are faced with laws that prevent speedy trials or that do not allow for a reduction in sentences. The Supreme Court has made some decisions that I consider to be very important. I told the members of the Supreme Court that the Justice Ministry has taken the initiative of mobilizing 50 lawyers and the deans of the lawyers associations throughout the country to visit all prisons and penitentiaries to evaluate the legal situation of the prisoners to find out which ones can be granted pardons, which ones are still in prison after having fulfilled their sentences, and which ones can be granted provisional freedom. The prosecutor's office has also mobilized 200 people throughout the country who have the same objective that I have just outlined.

In view of this situation and due to the serious crisis that is being experienced in the penitentiary system, the Supreme Court has adopted measures that I consider very important and for which I applaud its members, hoping that the country will receive them well. In the first place, instructions have been given to all the country's judges and courts that they must visit all prisons and penitentiaries to solve the problem of overcrowded prisons. In the second place, 2 correctional and (?12) trial courts will now exclusively study the cases of persons who have been accused of terrorism and, as all of you know very well, have been waiting for years for a solution to their legal situations, many of them insisting that they have been unjustly accused. In the third place, and this is very important, there is the urgent need to approve a bill that will allow the decentralization of the judicial system. This decentralization will be implemented with a pilot plan in the northern cone and another in the southern cone. This plan consists of one centralized court that will be used by the justices of peace, judges, the forensic medicine department, police, court personnel, and any other person who is linked to the judicial system. They will work within determined legal frameworks that will be established by the Supreme Court. Thus, the decentralization of the judicial branch has begun with a pilot plan in the northern and southern regions of the country. [end recording]

INVESTIGATIVE POLICE ARREST THREE TERRORISTS

PY231705 Lima Radioprogramas del Peru in Spanish 2325 GMT 22 Sep 85

[Text] The Peruvian Investigative Police [PIP] captured two alleged terrorists in a stolen car at the Corconas control post when they were returning from Ayacucho. The terrorists, Porfirio Munoz and Pedro Hoyo Sagami, were caught in a car that was stolen in Lima 60 days ago and could possibly have been used as a car bomb in the capital. In turn, the Antiterrorism Department of the Peruvian Police has reported that Jose Caraza Allabar has been arrested at Jorge Chavez Airport. At the time of his arrest he was carrying 120 gun and submachine gun cartridges, which he said he had bought from a street vendor at the bus stop.

Clandestine Group Revealed

PY241640 Lima Televisora Lima in Spanish 0315 GMT 24 Sep 85

[Text] The existence of a clandestine organization that is selling smuggled weapons to the Tupac Amaru Revolutionary Movement has been discovered following the capture of the alleged subversive Jose Caraza Allabar. The Peruvian Investigate Police [PIP] revealed this information today.

PRESIDENT ADVOCATES 'PRACTICAL APPROACH' TO DEBT

PY250302 Montevideo Radio Carve in Spanish 0000 GMT 25 Sep 85

[Text] United Nations -- President Julio Maria Sanguinetti said today during a press conference that the Uruguayan Government prefers to discuss the problem of the foreign debt within the international financial and monetary system and he hopes that our problems will be better understood.

Although Sanguinetti expressed respect and understanding for the Peruvian decision to reduce the service of the foreign debt and to consider a withdrawal from the IMF, he clearly did not support those ideas. In a speech to the UN General Assembly, Sanguinetti advocated a practical approach to the problems. He said: Our solidarity has not developed to the point that we have the power to impose conditions on the other side.

Sanguinetti added that his government has just renegotiated its debt of about $5.5 billion under favorable conditions considering the current situation and that negotiations are now more flexible than they were 1 or 2 years ago. He also pointed out that the protectionism, discrimination, and subsidies implemented by the creditor countries obstruct any possibility for the debtor countries to generate the necessary resources to pay the debt.

Sanguinetti also said: The Latin American countries want better trade and technology and they want to be allowed to sell to be able to pay because we reject the option of not growing in order to pay. He said: For the developed countries it is better to coexist with prosperous economies and stable governments than to be surrounded by states going bankrupt, which creates misery and brings violence.

Sanguinetti described the Central American crisis to the UN General Assembly as an infernal process that devours lives, well-being, and wealth, adding that the illness of that region will not be cured if its profound political, economic, and social causes are not solved.

The Uruguayan president, whose government is part of the group also made up of Argentina, Brazil, and Peru to provide diplomatic and political support to the Contadora Group peace proposals, said that the Contadora Group's effort will be completely sterile if the countries involved in the crisis do not change their attitude.

SANGUINETTI, SOVIET MINISTER ON COMMERCIAL TIES

PY241700 Montevideo Radio El Espectador Network in Spanish 1000 GMT 24 Sep 85

[Excerpt] Uruguay and the Soviet Union have raised the need to establish stable ties in the economic field and have agreed to have a Soviet mission visit Montevideo in October in order to strengthen commercial ties. This was decided after President Julio Maria Sanguinetti and Soviet Foreign Minister Eduard Shevardnadze held a 50-minute meeting yesterday.

During the meeting, which was held at the offices of the Uruguayan mission to the United Nations, Shevardnadze proposed that Uruguayan delegation travel to Moscow at a yet undecided date to discuss a broad bilateral agenda, placing emphasis on the commercial ties. President Sanguinetti agreed to send such a delegation, which will be headed by Foreign Minister Enrique Iglesias.

President Sanguinetti asked Shevardnadze for the Soviet Union's support for the Uruguayan desire to join the group of nations operating in Antarctica. In turn, Shevardnadze asked Uruguay to support the Soviet project concerning space demilitarization.

NANCY REAGAN VISIT SEEN AS 'VERY CORDIAL GESTURE'

PA241443 Mexico City XEW Television Network in Spanish 1310 GMT 24 Sep 85

[Excerpts] No words or actions can express our gratitude to the entire world for what it is doing to help Mexico at this unfortunate moment. Aid has arrived from many countries. Dignitaries have also visited Mexico to express their solidarity and to offer their help. In short, they are helping us.

In a very cordial gesture, US President Ronald Reagan has sent his wife here. Who does one love the most? Your wife, your family, your children. He has sent his wife to Mexico to express a message of encouragement and to offer aid. This is a very cordial gesture. Mrs Nancy Reagan is very important in Washington and the United States. Mrs Reagan arrived in Mexico yesterday to personally express her feelings and that of her husband to the Mexican people. Accompanied by Mrs Paloma Cordero de la Madrid, she toured the areas affected by the earthquake.

At the steps of the presidential house, President Miguel de la Madrid and his wife, Mrs Paloma Cordero de la Madrid welcomed the US First Lady. They then held a 10-minute private meeting at the residence. Mrs Reagan expressed the solidarity and the condolences of the US people. She also reiterated the Reagan administration's support for the Mexican Government. Mrs Reagan presented to President De la Madrid a $1 million check. Afterwards, Mrs Reagan and Mrs De la Madrid toured various areas affected by the earthquake.

SEPULVEDA VIEWS CENTRAL AMERICAN PEACE AGREEMENT

FL250220 Mexico City NOTIMEX in Spanish 0110 GMT 25 Sep 85

[Excerpt] United Nations, 24 Sep (NOTIMEX) -- Mexican Foreign Minister Bernardo Sepulveda Amor announced today that the signing of a Central American peace agreement is probable and may be soon.

Sepulveda Amor, who spoke to the Council of Foreign Relations in New York, stressed the Contadora Act for peace and cooperation in Central America is a viable project that could be adopted before the end of the year.

The minister said this would give the region a solid base for political understanding between all the parties involved and achieve the security and stability that each Central American country deserves. Such an agreement, he said, would serve the best interest of Central America as well as Latin America and -- why not admit it -- the United States.

PRESIDENT WRITES ATTORNEY GENERAL ON SPADAFORA

PA241859 Panama City MATUTINO in Spanish 23 Sep 85 pp 1 A, 8 A

[Letter from President Nicolas Ardito Barletta to Attorney General Manuel Jose Calvo, dated 22 September]

[Text] Mr Attorney General:

I address you in order to state the following:

1. As president of Panama and as a Panamanian I feel that the crime committed against Dr Hugo Spadafora is a brutal violation of the respect and consideration that the life of every human being deserves and a threat against the fundamental values of our nation such as peace, individual and collective security, and respect for human rights and the elemental norms of social coexistence.

It is also an unforgiveable cause of deep sorrow to a family that due to its virture is an example for everyone in this country and with which I have ties of friendship and personal esteem.

2. As I have publicly stated and want to reiterate now, the homicide of Dr Hugh Spadafora, which was committed with mercilessness and cruelty, demands that every resource be used to discover and try the perpetrator or perpetrators of such a distressing action.

This is why I am pleased about the efforts that you undertook in Costa Rica to try to clarify the events, thus immediately following up the conversation I held with President Monge to establish an effective bilateral cooperation in this investigation.

3. I must tell you that I have given much thought to the appointment of a commission by the executive branch to cooperate and to help the Attorney General's Office in solving this crime not only due to its characteristics, but as an extraordinary effort to eradicate from our country any attempt at violence or terrorism. As you know, the Constitution and the law, which I swore to defend and uphold as president of the Republic, prevent me from investigating criminal acts because this is the exclusive purview of the Attorney General's Office. Therefore, Mr Attorney General I respectfully suggest that within the framework of our legal system, you appoint a commission of individuals with the highest qualifications and honor to cooperate with you and the authorities involved in the investigation of this horrible crime.

4. In order to solve this crime and to do justice, I have instructed the government institutions under me, with special emphasis that the Immigration Department, the National Department of Investigation, and all the appropriate agencies of the Defense Forces and the government and the Justice Ministry, among others, place themselves at the disposition of your office, to provide all the assistance and facilities to verify the evidence, and to supply the necessary material and equipment and any additional resources that you might need to undertake the investigation and any other activity that you might deem necessary.

The purpose of all of this is to assure that the most thorough investigation be carried out to solve this crime and thus enable us to undertake exemplary actions against the perpetrator or perpetrators of the crime as unequivocal proof that our people will not permit terrorism in our country.

I am deeply convinced that the strengthening of the democratic structure is the only way to preserve our republican institutions, the only way that the rights and security of the Panamanians will be guaranteed, and the civilized manner of suppressing with determination any act of violence and terrorism.

Within this framework, the respect for the branches of government and their field of activity plays an important role. Among the branches of government, the judicial branch and the Attorney General's Office under you occupies an outstanding place that deserves respect and strengthening so that justice will prevail.

In view of the aforementioned, I want to express to you our absolute support for the efforts that you are carrying out with tenacity and impartiality. This is also why we have given you and will continue to give you all our cooperation within the framework of our respective constitutional functions in order to solve this crime.

Yours truly, President Nicolas Ardito Barletta

SPADAFORA FAMILY SEIZES UN OFFICE

PA241955 Panama City LA PRENSA in Spanish 24 Sep 85 p 1 A

[By Flor Quintero]

[Excerpts] In view of the fact that the executive branch has not given a valid answer to the assassination of Dr Hugo Spadafora, members of the Spadafora family and leaders of the Coordinating Board for National Civilianization (Cocina) yesterday took over the UN office [in Panama City] and declared a 24-hour fast to demand an answer to the Spadafora family request that a special commission be appointed to carry out an independent investigation in this case.

The peaceful seizure took place at approximately 1500. It was one of the initial actions carried out by the family of the fallen internationalist guerrilla to demand that the crime be cleared up, according to what Dr Winston Spadafora, the older brother of the late deputy minister of health, has told LA PRENSA.

Early in the evening, the Committee against Repression and for the Defense of Democratic Liberties stated its solidarity with the fasting of the Spadafora family and the Cocina leaders. The committee called on the Panamanian people to participate at 1500, once the fasting period ends, in a march to the Office of the Attorney General. The march will be initiated at the UN office. The purpose will be to strengthen the call for the creation of the special commission proposed by the Spadafora family.

The committee against repression, taking advantage of the fact that the UN General Assembly is holding its 41st assembly meeting, sent a telegram last night to UN Secretary General Javier Perez de Cuellar denouncing "the latest crimes committed by military men in the past 23 days."

Brother Begins Hunger Strike

PA242206 Panama City Radio Cadena Millonaria in Spanish 2040 GMT 24 Sep 85

["Special report" by an unidentified reporter from the Urraca Park area in Panama City -- live]

[Excerpts] [Unidentified reporter] The members of the Hugo Spadafora family and of Cocina [Coordinating Board for National Civilianization], who began a 24-hour fast yesterday at 1510, completed their fast approximately 25 minutes ago. We will now listen to Winston Spadafora, brother of the late Hugo Spadafora, who has just started a hunger strike:

[Winston Spadafora] We have just concluded our first action demanding justice for the murder of Dr Hugo Spadafora. We have decided to march to the Legislative Palace, where I will request the floor. [applause, shouts of "Let's go!"] I repeat: I will request the floor of the Legislative Assembly; I think that is the least they can do for the Spadafora family.

As you have observed, I have fasted, and I hereby announce that I am beginning a hunger strike to the very end; I mean to the very end; not like the public officials when they say to the very end. [applause, shouts of "Let's go!']

If, due to the lack of responsibility of the government, I should die from the hunger strike, then another member of the Spadafora family will follow my path in the same hunger strike until we are all dead. The Spadaforas will not continue to live under tyranny!

Amoacss Leader Accuses Militarymen

PA220205 Panama City EXTRA in Spanish 20 Sep 85 p 20

[Text] Speaking with sorrow before the coffin of assassinated Dr Spadafora, Dr Mauro Zuniga, leader of Amoacss [Association of Doctors, Dentists and Related Professionals of the Social Security Institute], said: "Hugo Spadafora Franco is a victim of military vandalism and atrocity. His crime: having the integrity and valor to denounce General Manuel Antonio Noriega's crimes and monstrous corruption."

According to Zuniga, the National Guard is the internal element of antinational forces, and it has been using three determining factors to maintain control and domination: a legal mask, defamation, confusion, disinformation; and finally repression.

He added that "on the basis of the caricature of a Constitution that it designed, the National Guard maintains a puppet executive branch that resulted from the most scandalous fraud; a servile and unpopular legislative branch that is an enemy of civilian rule; and a judicial branch that covers up the crimes and villainous acts committed by the military hierarchy."

Zuniga asserted: "The temple of justice is empty."

The military hierarchy has launched and sustained a defamatory campaign against the honor and dignity of those citizens who dissent from the immorality and corruption constituting the pillars of this system," [quotation mark as published] the Amoacss secretary general added.

BELIZE

TIMES REPORTS 1984 EXTERNAL DEBT 'MANAGEABLE'

FL242200 Belize City THE BELIZE TIMES in English 22 Sep 85, pp 24, 27

[Excerpts] The main purpose of this Article is to present an overview of the trends in the external public debt contracted by Belize.

External public debt is defined as debt with a maturity of over one year -- owed to non-residents by the national government, their agencies and statutory bodies or guaranteed by them.

Debt service payments are actual repayments of principal (amortization) and interest payments.

The external public debt was contracted namely to finance capital projects such as grain storage, port water and sewerage, roads, airport, hurricane rehabilitation, banana rehabilitation, education, electricity, hotel, and housing.

Most of the external debt contracted has been with the Caribbean Development Bank and on very concessionary terms. Concessionary terms were also extended by the Canadian, U.S.A., the United Kingdom and the EEC.

In December 1984, the external public debt of Belize was within manageable limits. The total was under BZ $140 million (U.S. $70 million), and the debt service ratio at a reasonable 5 percent.

COSTA RICA

SANDINIST PATROL BOAT REPORTEDLY VIOLATES WATERS

PA241415 San Jose Radio Impacto in Spanish 1830 GMT 23 Sep 85

[Text] The public security minister has said that he has received a report that a Sandinist patrol boat violated Costa Rica's waters at 1000 yesterday in the area of Agua Dulce. The boat came very close to the shore near a Costa Rican Civil Police post, units of which opened fire on the boat as a warning that it was violating the country's waters. The crew of the boat apparently responded to the fire, as it moved further away. No casualties have been reported.

Security Minister Benjamin Piza Carranza reported that the rest of the northern border is calm.

OFFICIALS DENY ALLEGATIONS ON MOVES TO CREATE ARMY

PA241909 San Jose LA NACION in Spanish 16 Sep 85 p 8 a

[By Edgar Fonseca]

[Excerpts] Is there or is there not an army in Costa Rica? Is Costa Rica moving toward the establishment of a permanent military corps? Is this connected with the growing assistance for security, including training and equipment, that the Costa Rican Government has recently received, particularly from the United States?

Costa Rican officials are concerned that questions like these are being asked daily around the world. They believe there is a misinformation campaign underway to distort Costa Rican reality.

"It does not exist, nor will it exist; we do not want it," Costa Rican Security Minister Benjamin Piza stressed when asked about the subject.

In addition to pointing out that the 1949 Constitution prohibits the establishment of an army, Piza said: "There is no reason for Costa Rica to have an army. We have traditionally been a civilist and democratic country. We carry no special weight in the international community that might call for us to face up to a situation with military power," he explained.

Piza vigorously defended the training that the members of the Public Force are receiving, especially the courses at El Murcielago.

The Public Force must be well trained, on the one hand to defend Costa Rica's territorial integrity, and on the other to face any domestic problem of subversion, " he stated.

According to Piza, the country cannot remain defenseless, as the left-wing groups desire, "nor can we send people without training to the border. It would be irresponsible and even criminal to do that, " he said.

For Piza the campaign to discredit Costa Rica, particularly with regard to the alleged creation of an army, is an affront to the country. He believes it had its origin in the aspirations of Costa Rican left-wing sectors that are in turn supported by a worldwide machinery that the Costa Rican state is unable to counter for lack of economic resources.

He stressed the importance of intensifying the international efforts of Costa Rican Government missions to counter that campaign, while admitting that it is impossible for Costa Rica to compete with " such a huge apparatus. "

Meanwhile, Costa Rican Deputy Government Minister Rene Castro sustained his claim that talking about an army is "ridiculous" when statistical data show a shortage of personnel and equipment.

"We do not have even one armored vehicle or tank. This alone makes an army a caricature with the potential of becoming a horror movie, particularly when one realizes that the Public Force does not have a single combat aircraft or light craft with guns," Castro pointed out.

He reviewed budget statistics of various government agencies and indicated that the total expenses for the police in 1985 are five times less than those for education and two and one-half times less than public works expenditures.

According to Castro, 71 percent of the 875 million colones budgeted for the Security and Government Ministries for use in police matters is used to pay salaries, while 21 percent goes into fuel, food, and building maintenance. He said that figure does not cover purchases of uniforms, boots, individual gear, nor replacement of the transportation fleet, radiocommunications equipment, or ammunition for training.

Deputy Minister Castro believes that even with the aid received from the United States, Germany, Taiwan, Panama, Venezuela, Israel, and Korea, the Costa Rican police force approaches in structure only a "rudimentary, basic modern police force."

Castro criticized Spanish and German publications that have conveyed the impression that an army is being created in Costa Rica.

He insisted that statements made abroad by groups like the Organization for National Emergencies (OPEN) must be refuted because they portray an image of a parliamentary armed horde that enjoys official protection." That is inaccurate, and the citizenship and government resent it." [quotation marks as published]

Castro also referred to the use of military jargon the public is unfamiliar with and which can help tarnish Costa Rica's image.

"We should not make things easier for the totalitarian propaganda machinery that depicts us as a banana republic" [preceding words in English], which portray us as a military enclave with paramilitary, puppets, and all, he said.

OIJ AGENTS ARREST SPADAFORA WITNESS

PA241921 San Jose Radio Impacto in Spanish 1840 GMT 24 Sep 85

[Text] Judicial Investigation Agency [OIJ] agents have arrested 41-year-old Manfred Hoffman Wittenberg because he stated in Panama that he knew who had killed Hugo Spadafora, former Panamanian deputy health minister. Hoffman lives as a pensioner in Costa Rica. He was arrested yesterday afternoon when he arrived from Panama. When questioned, Hoffman was unable to give an answers about facts that he supposedly knew. He said he had just heard rumors when he was on the border. Asked about the telephone calls that he supposedly listened to and about which he spoke in Panama, he denied such reports.

Among his possessions, the OIJ found something like a diary about the things he stated in Panama concerning Spadafora's death. It has also been established that Hoffman traveled to Panama frequently. The last time he visited Panama he did so by land. He said the reason for his trip was to look for some friends he met in Costa Rica. According to Hoffman, his friends called him and told him they were traveling on the same bus in which Spadafora was traveling and that they saw when he was taken off the bus. Hoffman added that he wanted to find those friends and personally obtain their version but that he was unable to locate them.

Hoffman will be released today, and in the next few days he will undergo psychiatric evaluations to make sure that what he said in Panama was false.

EL SALVADOR

ARCHBISHOP RIVERA Y DAMAS HOLDS NEWS CONFERENCE

PA242244 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 24 Sep 85

[Report by Rosie Castillo on a news conference by San Salvador Archbishop Msgr Arturo Rivera y Damas at the Archbishop's office in San Salvador; date not given; all questioners unidentified -- recorded]

[Excerpt] [Castillo] We continue with the news conference held by Msgr Arturo Rivera y Damas. At this time he was asked to evaluate in general terms the political situation in El Salvador. Let us hear what he had to say.

[Rivera y Damas] With regard to the conflict, which I believe is the principal problem, the church has insisted and worked -- because it is not only a matter of talking, but of attempting to do something, to humanize the conflict -- to shorten, moreover to resolve, the conflict politically.

You have seen the latest pastoral letter issued by the Episcopal Conference and the reactions it prompted. There were negative reactions by left- and right-wing groups. The government was receptive to it. You have seen our insistence on remaining a link between the fronts and the government despite criticisms of our mediation. However, the fronts have been unwilling to break this link, seeking only to amend those aspects they believe could be corrected.

We continue to be intent on this. I see positions have hardened, making it appear that the dialogue is further away, but we are not discouraged by that. We continue to believe that we must continue working, despite the problems.

[Question] [Words indistinct] is it the church position, or how can that commentary be interpreted?

[Rivera y Damas] [Words indistinct] statements of the Spanish prime minister, Felipe Gonzalez, saying that to negotiate with terrorism is like inflicting a serious blow to democracy. I believe that phrase has much content. There is an expression of the people's will in democracies, expressed by the majority's sentiments. Such is the force that is felt in the solution of national problems. Now if brute force were imposed on this force to obtain solutions, there is no doubt that it would seriously affect and weaken the democratic system. By quoting this, he intended to show that attempting to obtain political results through violence should be discarded.

Naturally, it is also true that his statement could make more difficult the process of negotiation for the liberation of the person to whom he implicitly referred.

[Question indistinct]

[Rivera y Damas] Lately there has been such a case. A truck loaded with food was detained, and they said they were going from here. However, I made some inquiries, and it turned out to be a white lie, if you would want to call it that. It is true that some members of the social secretariat have been captured, but we have been able to act in time to obtain their release, because there were no real grounds for the arrest. We have asked them to be more careful in making these arrests. We have not made public denouncements because we believed other ways were more effective to deal with the matter.

However, in some cases in which we consider it necessary, such as in the case of some raids on refugees, we have denounced them from the pulpit, asking for respect for ecclesiastical immunity.

[Question indistinct]

[Rivera y Damas] Yes, we talked with them.

[Question] Was any type of agreement reached?

[Rivera y Damas] [Words indistinct] They did not want the mediation to be interrupted, that it had not been their intention to provoke any such thing. The dialogue continues to be stalemated, but we continue working to overcome the difficulties.

[Question] Has church mediation been requested in the case of the kidnapping of Ines Guadalupe Duarte and her companion?

[Rivera y Damas] Yes, on the part of the government.

[Question] Have you had any contact with the FMLN to obtain her release?

[Rivera y Damas] Only by phone with the FDR.

[Question] What is the main obstacle to the dialogue, in your opinion? Are the rebel forces opposed to meeting outside El Salvador, or is it the government position that the dialogue should take place outside the country?

[Rivera y Damas] One of the reasons for the disagreement is that the government would like the preliminary meetings to be held outside the country and the fronts want the dialogue -- the preliminary meetings and the public ones -- to be held in the country. However, I believe it is actually due to the nature of the dialogue itself. It is a political solution, a political problem, and the nature of the parties involved is also political. Each wants the dialogue to be held where it is most in line with their interests.

Now our work consists in trying convince both sides to compromise for a position beneficial to the people in general, who want peace. In fact, 80 percent of the population favors the dialogue.

[Question indistinct]

[Rivera y Damas] What we want is for the parties to sit down and talk, as it is up to them to adjust their disposition and political will for the solution of the problem.

[Question] Could the signing of the Contadora document affect the dialogue [words indistinct]?

[Rivera y Damas] I believe Contadora, being a regional body, is necessary, because our internal dialogue must complement the dialogue at a regional level. That way we may be able to overcome our difficulties, and we would still count on the geopolitical level, which could prove helpful to a successful solution through dialogue.

[Question indistinct]

[Rivera y Damas] The telephone calls were made at the beginning. I found that they were quite willing to cooperate. Later, however, there was a change of attitude.

[Question] Msgr, has the church in any way confirmed that the FMLN is behind the kidnapping?

[Rivera y Damas] That appears to be clear already.

[Announcer] We have just offered a news conference held at the San Salvador's archbishop's office with Msgr Arturo Rivera y Damas, reporting on the collection of funds to be carried out by the church soon and confirming that the FMLN is holding the daughter of President Duarte, Ines Guadalupe Duarte.

FDR'S UNGO VIEWS PROSPECTS FOR WAR, PEACE

PA240303 Caracas EL UNIVERSAL in Spanish 8 Sep 85 p 39

[Interview with Guillermo Ungo, leader of the Democratic Revolutionary Front [FDR], by Dr Leopoldo Castillo, former Venezuelan ambassador to El Salvador, in Panama City, Panama; date not given]

[Text] [Castillo] Dr Ungo, would it not be possible to have a political and peaceful solution in El Salvador? Wouldn't it be possible to have a democratic system there, to have the left wing-democratic groups join in the political life of that nation and have problems resolved without the intervention of the two superpowers?

[Ungo] We see only two solutions: either a military invasion with U.S. troops or a negotiated political solution. We have had more than 5 years of war; a war that was not invented, that had a real internal origin, and that can only be ended by facing and resolving its causes.

[Castillo] It has been said that the guerrillas have changed their tactics, that after 4 years of fighting in the country they are now falling back toward San Salvador. The explanation given is that they have been defeated in the rural areas and that they intend to activate the popular movements that the FMLN once had in the main cities of El Salvador.

[Ungo] Actually, it is more complex. There has been a tactical rearrangement based on the shift in tactics and strategy made by the Salvadoran Army. Last year the Army began to implement a guerrilla strategy, more of a counterinsurgency strategy, that forced FMLN to make a tactical readjustment.

[Castillo] Doesn't that mean a military defeat of the FMLN by the Salvadoran Army?

[Ungo] The FMLN still has its military strength; in fact, it has increased it. It is stronger than ever. The guerrillas still have their rearguard areas and have enlarged their theater of operations with small units, combining at times for medium-scale actions. A low intensity conflict is being carried out. This usually involved a lot of propaganda. The government itself has emphasized that it has a broader strategy that includes psychological warfare and a propaganda war.

[Castillo] You mentioned that there was a lot of speculation, that desertions from the armed groups were being used for propaganda purposes, and you also mentioned that the desertions were from the masses who support the subversive movement. If this is true, it would mean that the guerrillas are losing their social base, which is very serious for a group that claims to be a popular movement.

[Ungo] We can't see the movie in black and white. In any kind of war there are desertions or withdrawals for various reasons, even family reasons. This also happens, on an even larger scale, in the government forces.

[Castillo] Some departments in the eastern and western parts of El Salvador were major guerrilla bastions, and it was even said that there were areas controlled by the FMLN. Today there are no attacks on the garrisons, nor do they have areas under their control. There are only sporadic attacks.

Doesn't this mean that the guerrilla movement is crumbling and that because the guerrillas are losing their social base they are resorting, to some extent, to terrorism?

[Ungo] The situation is more complex than that. The rearguard areas, which are basically in the northern departments, near the Honduran border, are still rearguard bases of the guerrillas. In the past, their main military operations were carried out there.

[Castillo] Immediately after the Zona Rosa incident in June it was said that there was a discrepancy between the FDR and the FMLN regarding strictly military actions. Is that true?

[Ungo] Partially. However, to talk about that event we would have to place it in the proper context. It is necessary to make a distinction. Sometimes it is said that the FDR is the political branch of the FMLN (the military front of the guerrillas) and on other occasions the opposite is said: that the FMLN is the military arm of the guerrilla's political front, which is the FDR. Neither of these two statements is true. They are not branches; they are different bodies. The FDR is a political body, and the other is a political-military body. They have an alliance, an understanding, under an agreement and a plan that is the democratic revolutionary platform. Obviously, as the war has become more complex it has been understood that it is not just the military that is important, and that the military is an extension of the political. Basically, it is understood that we are dealing with a political conflict that demands a political solution and a political plan. The political has been combined with the military, and the internal with the external. Thus, our agenda in the alliance has been more complex, broader. This implies more points to be agreed upon, to be discussed, and some points of disagreement....

[Castillo interrupts] ...such as the one in the Zona Rosa?

[Ungo] Yes, like the one in the Zona Rosa, in which we (the FDR) measured the implications of that military action from the political point of view.

[Castillo] Are you saying that you don't condemn that act as a terrorist act, but that you are simply concerned about its political consequences?

[Ungo] One has to relate the cause to the effect. We do think that the guerrillas are at war, a dirty war imposed on them, in which people have disappeared and have been tortured or killed. That activity is taking place in the capital and the big cities. Since the Salvadoran Army cannot be reproached for entering the guerrillas' rearguard area in its attempts to strike at them, it is logical to assume that the guerrillas would want to do the same: go into the capital and the main cities and deal political and military blows against the Salvadoran Army.

[Castillo] Those are terrorists acts. The machine-gunning of a group of people in a cafe has to be condemned by any democrat in the world....

[Ungo interrupts] We condemned this because each of our organizations maintains its identity, its autonomy. There cannot be complete agreement. However, I see signs of hope that in the coming months the ineffectiveness of military action as a solution to the conflict will be proven again. Therefore, there is nothing else to do but face the Salvadoran war in two ways: with the United States taking a direct part by sending its troops or agreeing to have the parties involved in the conflict seek, through dialogue, a solution not in maximalist, but in realistic terms, in terms of being able to initiate a democratic solution that would help us to bring about the economic, social, political, and democratic recovery of El Salvador.

It is a war that has to end in a short or medium term; those agreements should preferably be sought in the short term. The futility of the military effort has already been proven in 5 years of war. It would have been better to have spent 5 years in negotiation through dialogue. That is a difficult process, but one with probabilities of success. A final military solution with U.S. participation could thus be avoided, and we Salvadorans could find our own path.

MILITARY ANNOUNCES WEEKLY MEETINGS WITH PRESS

PA232345 San Salvador LA PRENSA GRAFICA in Spanish 18 Sep 85 pp 2, 9

[Text] The Army inflicted 868 casualties on the FMLN-FDR terrorist groups in July and August. This was reported yesterday by Colonel Rene Emilio Ponce, spokesman of the Armed Forces Joint Staff, during a news conference with national and foreign journalists.

He said that of those casualties 136 were terrorists killed in battle, 504 were taken prisoner, 127 were wounded, and 101 were terrorists who surrendered to various military garrisons. Of those who surrendered, 22 handed over their rifles in exchange for 1,000 colones, he explained. He added that many of those captured have been released because they had been forced at gunpoint to join the FMLN-FDR.

The military officer reported that this is why they have been released. Ponce held a friendly meeting with national and foreign journalists. He said that from now on there will be a weekly meeting at which a garrison commander will be present. Col Ponce said that in the past 2 months the Army has carried out 11 operations in Chalatenango, La Paz, Usulutan, San Miguel, San Vicente, Cuscatlan, La Union, San Vicente [as published], and Cabanas Departments.

The military officer said that the extremist groups have been forced to implement new strategies due to the constant actions of the Army, which searches for them, pursues them, and attacks them relentlessly.

He said that in view of this initiative by the Army, the subversives have adopted defensive strategies, since they do not fight but instead flee when they see that the Army is approaching.

Col Ponce said that the Army will soon implement new strategies and tactics to continue with the initiative, as it has been doing in the last few days. Referring to this, he explained: "This is a war," and the Army as a professional institution continues to learn much in confronting a dirty war imposed from abroad.

He stressed that a review of the war situation shows that everything is favorable for the Armed Forces, even when bearing in mind the disadvantages of a dirty war in which the other side, in other words, the terrorists, have nothing to lose, no professional prestige to defend, no international organizations that demand they respect human rights.

Before the meeting started, Colonel Carlos Armando Aviles told newsmen that there will now be weekly briefings, in a special atmosphere of good will between the Armed Forces and local and international newsmen. He asked that the rules of the game be observed so that the weekly briefings would be conducive to good relations among Coprefa [Armed Forces Press Committee], the Army, and newsmen.

Col Aviles specifically requested that there be no questions regarding the kidnapping of Mrs Ines Guadalupe Duarte Duran, 35, daughter of President Jose Napoleon Duarte and Mrs Ines Duran de Duarte, or regarding Ms Ana Cecilia Villegas Sosa, who was also kidnapped.

The request that there be no questions on this case was made because investigations, efforts, and other actions are conducted at another level, and the aim is not to hamper these measures.

Col Ponce said that the Armed Forces are undertaking virtually constant nationwide operations to detect the movements of the terrorist groups, which are scheming against the security of the Republic.

These operations include patrols, searches, raids, pursuit of terrorist redoubts, stationing camps, and so forth, not only in rural areas but also in urban areas, highways, swimming, resorts, etc.

In conclusion, Col Ponce explained that during this same July to August period the Armed Forces sustained 81 casualties: 53 dead, 249 injured, and 15 missing [figures as published].

When asked about villages under the control of terrorist groups, citing statements aired by clandestine stations, Col Rene Emilio Ponce answered that the Armed Forces do not recognize any village as under the control of the terrorists, because the Army enters and leaves everywhere. He explained that the fact is that when the Army goes into any village, the subversives flee, returning to the area when the regular forces have returned to their garrison.

The high-ranking officer stressed that this does not mean that these areas are under the control of the extremists.

FMLN TERMS TRANSPORTATION BAN 'SUCCESSFUL'

PA221954 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 21 Sep 85

[Text] We have paralyzed transportation throughout the entire country. The puppet Army has been unable to neutralize the transportation ban ordered by the FMLN General Command. We have been receiving reports from all sectors of the country to the effect that the patriotic transportation ban ordered by the FMLN has been effective.

In our struggle for independence, our armed people are ruining the war economy of the dictatorship and are reporting that the damage done is in the millions -- money which cannot now be used to purchase weapons for the genocide. In Chalatenango, we are [word indistinct]. The ban is effective. Colonel Ochoa, send your troops to guard the highways, but it will do you no good. Our units are controlling the highways in Chalatenango so, suffering Ochoa, you will not have to suffer anymore. Suffering Ochoa cannot do anything to stop the general transportation ban ordered by the FMLN.

General Command: We are complying with our orders. The national transportation ban is effective in 95 percent of the national territory. In this month in which we commemorate our first independence from Spain, we are waging the just struggle for our second and definite independence from the Yankee imperialists, and our struggle is intensified.

REBELS SAY REFUGEE CAMP IN HONDURAS SURROUNDED

PA221642 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 19 Sep 85

[Excerpts] The San Antonio camp for Salvadoran refugees, located in Honduras in the area bordering San Miguel Department, has been surrounded by Honduran Army troops.

Using methods similar to those used at the Colomoncagua refugee camp, the Honduran Army and Government are terrorizing, threatening, and militarily surrounding another Salvadoran refugee camp. The orders to violate the human rights and the refugee camps have been given by the United States in an effort to force a repatriation or relocation of the refugees.

The refugee camps at the border represent an obstacle to intervention escalation. They want to militarize the entire border area and hand over the sectors in dispute to the Honduran Army. The courageous, worthy stance of thousands of Salvadoran refugees has not permitted this U.S. move to be executed by the Salvadoran puppets. Puppet Duarte facilitates aggression against the refugees.

This is another flagrant violaton of international accords regarding refugee camps. This violates the human rights of our fellow Salvadoran citizens. We appeal to humanitarian organizations, defenders of the human rights, and the Salvadoran and international press to denounce this new action by Suazo Cordova's army and government. Stop the repression of our fellow citizens who are refugees. No to forced repatriation.

GUATEMALA

ENERGY, MINES MINISTER ANNOUNCES FUEL RATIONING

PA242213 Guatemala City Domestic Service in Spanish 0200 GMT 24 Sep 85

[Address to the nation by Guatemalan Energy and Mines Minister Alejandro Contreras -- live or recorded]

[Excerpts] In view of the current fuel crisis, the Energy and Mines Ministry reports to the public:

As the citizens know, due to the shortage of foreign currency to pay for petroleum, which has led to problems in the normal supply of fuel, (?rationing) measures in the supply of [word indistinct] have been adopted for the past several months.

In addition to the previously mentioned problem, as the citizens also know, in the week of 9 to 13 September labor problems emerged at the Texas Petroleum Company refinery in Escuintla. This prevented the refinery from selling its normal volume of fuel to all the distributors operating in the country. This led to delays in orders from the various gasoline stations. [Passage indistinct]

Meanwhile, a Chevron [word indistinct] scheduled to reach the Atlantic coast on 20 September has been delayed, and its arrival is now expected between 28 and 30 September. This tanker [words indistinct] to load in Mexico last week was removed from the area because of, among other reasons, the recent earthquake that hit that country. That earthquake also hindered a continuation in the talks between the Bank of Guatemala and the National Bank of Mexico regarding a bill that is pending payment, which is another reason the tanker was not loaded. However, the fuel reserves established during an inventory [words indistinct] are enough for the supply to continue at the same level of the past few weeks (?until the Chevron tanker), carrying 675,000 barrels of oil, reaches the Atlantic coast.

In view of the above, and in an attempt to guarantee a fuel supply that will not greatly affect production and mobilization throughout the country, the ministry, taking into consideration the available fuel reserves [words indistinct] the products that Chevron will bring, and the problems that the Bank of Guatemala has (?with Venezuela and Mexico), has decided to implement, after consultations with the oil distributors and suppliers, the following measures:

1. To guarantee the supply of fuel.

2. To prevent hoarding by establishing a rationing system that will continue until the first tanker arrives at a national port.

In an attempt to guarantee supplies, based on the oil reserves in the country, we have engaged the services of a tanker [words indistinct] that will bring another shipment of 175,000 barrels of oil products. This tanker is scheduled to arrive at the Atlantic coast between 2 and 3 October. Simultaneously, the ministry is negotiating with the Bank of Guatemala to put forth its best efforts to make the payments to Mexico and Venezuela to guarantee the normal supply to the refinery.

To prevent hoarding by consumers, a practice that is affecting the weak reserves of the country, it has been decided that as of tomorrow, Tuesday, 24 September, through the arrival of the first tanker, the following emergency measures will be implemented:

Diesel: 1. The supply of the product to the [word indistinct] will be rationed. This is to prevent hoarding. This measure is in the hands of the distributors and will be supervised by the Mines and Energy General Directorate.

2. The bus and cargo services will receive the fuel necessary to fill their tanks; diesel will not be dispensed in portable containers.

3. Foreign bus and cargo service vehicles will not be allowed to purchase more than (?15) gallons of diesel, and portable containers will not be filled with the product.

Gasoline: Private vehicles will be allowed to purchase a maximum of 10 gallons per vehicle. A schedule has been established for the sale of gasoline to these vehicles. This schedule is based on the last number of the vehicle's license plate. Each number will have a certain day during which they may purchase gasoline.

In the case of [word indistinct] turbo jets, and airplane fuel, international flights will be supplied only with the fuel necessary to reach the next international airport safely. This will be controlled by the distributors and will be supervised by the Mines and Energy General Directorate.

As of tomorrow, gas stations will operate between 0600 and 1800. The sale of more than a gallon of gasoline and diesel dispensed into portable containers is forbidden except in the cases of small consumers that, because of the nature of thier business, must purchase fuel in containers. These are: mills, boats, [words indistinct].

The government urges the Guatemalan people to limit their use of vehicles to productive and necessary activities, to avoid the practice of hoarding that, as we have previously said, it against the security and welfare of the hoarders and their neighbors. We also inform owners and leasers of vehicles used for travel abroad that legal measures will be implemented soon to prevent the transportation of fuel in containers.

Public sector authorities are advised of the head of state's decision to limit all official [word indistinct] to those of extreme necessity until the situation returns to normal.

The Mines and Energy Ministry informs the people that these temporary measures are not related to an alleged increase in the price of oil products.

The ministry understands that other alternatives should be available to overcome a crisis such as this. However, after analyzing the situation, the ministry reached the decision that these measures and the understanding and support of the people will help us overcome this emergency.

Thank you.

UCN ACTIVISTS KILLED IN SUCHITEPEQUEZ

PA222358 Guatemala City Cadena de Emisoras Unidas in Spanish 2350 GMT 20 Sep 85

[Text] The Union of the National Center [UNCN] has charged publicly that last Saturday afternoon Mr Miguel Angel De Leon Chapeton, candidate for council member in San Antonio, Suchitepequez, was attacked while driving his vehicle near the (Muca) bridge in Rio Bravo jurisdiction, Suchitepequez. The candidate was accompanied by four UCN activists, two of whom died in the attack. The other two activists and De Leon Chapeton were seriously injured.

The UCN demands that the authorities investigate this case and punish the assassins. Through this means we voice our rejection of violence, regardless of origin, because we are a party seeking peace.

NICARAGUA

AUSTRIA'S DOHNAL VISITS, MEETS RAMIREZ

PA222218 Managua Radio Sandino in Spanish 1930 GMT 20 Sep 85

[Text] Vice President Dr Sergio Ramirez Mercado met this morning with Mrs Johanna Dohnal, secretary of state attached to the Austrian Chancellor's Office. Mrs Dohnal is visiting Nicaragua at the official invitation of the Nicaraguan Government. She is the coordinator of the Austrian Aid for Nicaragua Committee, an organization providing financing assistance in the construction of settlements in the San Juan River area. During her visit, the Austrian official has met with leaders of the Nicaraguan revolution and with representatives of mass organizations. She was asked her opinion of the Nicaraguan situation.

[Begin recording] [unidentified questioner] After being here for several days, what do you think of the Nicaraguan situation?

[Dohnal -- In German with simultaneous translation into Spanish] I have been able to confirm that the situation here in Nicaragua is very tense due to the conflict with Honduras and Costa Rica. However, I was also able to see that Nicaragua is making tremendous efforts toward reaching a solution.

[Question] As coordinator of the Aid for Nicaragua Committee, can you explain how that committee helps our country?

[Dohnal] Our committee provides financial aid and direct technical assistance in the construction of settlements along the San Juan River, as well as promoting solidarity for Nicaragua in Austria. [end recording]

VICE PRESIDENT CONFIRMS SUPPORT FOR SIECA

PA241855 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 23 Sep 85

[Text] At the 34th meeting of ministers of the Secretariat of Central American Economic Integration, SIECA, at the Cesar Augusto Silva Conventions Center, the region's trade situation was analyzed. SIECA Secretary General Raul Sierra reported that by 1979 Central America had sunk to its worst economic, political, and social crisis. Nicaraguan Vice President Sergio Ramirez said that the SIECA process has great potential.

[Begin Ramirez recording] Once again Nicaragua declares its willingness to contribute to the opening of new possibilities for the development and strengthening of SIECA. This is why we have already deposited our official ratification of the Central American Tariff and Customs Agreement. [end recording]

WPC VICE PRESIDENT VISITS, VIEWS CONFLICT

PA230045 Managua Radio Sandino in Spanish 1200 GMT 20 Sep 85

[Text] The most reactionary U.S. circles are trying to provoke a bloody conflict in Central America similar to Vietnam, Vice President of the World Peace Council (Ilona Sebastian Nandorme) has said here, adding that the Reagan administration is using ridiculous arguments as pretexts.

(Nandorme), who is Hungarian, hosted a news conference when she returned from touring the war zones where she was able to see the imperialist aggressions for herself. I will tell Europe that the Nicaraguan people want to build a free and independent country and do not want to be a toy of the United States, the international pacifist said.

200 PEASANT FAMILIES RESETTLED IN REGION 1

PA230027 Managua Radio Sandino in Spanish 1200 GMT 20 Sep 85

[Text] A total of 200 peasant families from Region 1 have been resettled for protection from counterrevolutionary activities. The peasants who were moved out of their homes in Los Manchones and (Zungaro Norte) in Esteli have been allotted 2,000 manzanas of land, the agrarian reform expert in the region, Gerardo Lagos, told our correspondent Jaime Zamora.

The 200 families in the area have been resettled in the Edwin Barahona cooperative, a basic grain, potato, vegetable, and cattle production center, in order to protect them from the counterrevolutionary activities and to integrate them into the national development. Peasant Julio Cruz reported to our correspondent that 120 children are attending the school built in the area, and approximately 90 adults are attending people's educational centers.

DEFENSE MINISTRY REPORTS 11-18 SEP CLASHES

PA191853 Managua Radio Sandino in Spanish 1200 GMT 19 Sep 85

[News bulletin issued by the Public and Foreign Relations Directorate of the Defense Ministry on 18 September]

[Text] The Sandinist People's Army, EPS, has inflicted a total of 87 casualties on the counterrevolutionary groups, including 74 dead, during their attempts to sabotage our revolutionary process. There have been a total of 36 clashes, as well as kidnappings, ambushes of civilians, and sabotage of economic objectives.

In addition, in an attempt to distract EPS forces, the counterrevolutionaries have tried to infiltrate from the Cacamuya camp in Honduran territory through the area northwest of Somotillo. A group of 70 contras participated in this action, which was aimed at distracting our troops in order to facilitate mercenary actions mainly in Matagalpa and Jinotega Departments. Here are the most important clashes during the period 11-18 September:

On 11 September our troops clashed with a counterrevolutionary group in Kastaguas, 26 km northwest of Bonanza, Zelaya Department, where the EPS inflicted a total of 25 casualties on the enemy, all of whom belonged to the San Jacinto Regional Command.

On 13 September there was a clash in Aguascalientes, 26 km southeast of Wiwili, where our troops inflicted 10 casualties on the contras, including 3 counterrevolutionary chiefs. Also on 13 September our troops ambushed a counterrevolutionary group on Culmeca Hill, 5 km east of the Valle Plan de Grama, Jinotega Department, killing six contras and capturing two others.

On 15 September there was a clash in Sitio Vilan, 22 km south of Wiwili, Jinotega Department, where our troops inflicted three casualties on the enemy. There was another clash in Oros Napa, 30 km northeast of Jinotega, Jinotega Department, where the EPS inflicted three more casualties on the contras.

Also on 15 September our troops clashed with the enemy in Kila Lalama, 18 km southwest of San Jose de Bocay, Jinotega Department, where the contras sustained eight casualties. Also on 15 September our troops were engaged in clashes in Cano San Jorge and the Mahogany River area, 19 and 20 km southeast of Rama, where our troops inflicted four casualties, captured two contras, and seized one M-14 and 3 AK rifles.

On 16 September there was a clash in El Venado sector, 9 km southeast of Rio Blanco, Zelaya Department, where the enemy sustained four casualties. Also on 16 September there was a clash at El Tigre Hill, 33 km east of Rio Blanco, Zelaya Department, where the EPS inflicted five casualties on the contras and seized a G-3 rifle.

On 17 September a counterrevolutionary group clashed with the Sandinist People's Militia in Banady, 7 km north of Santo Domingo, Chontales Department, where the heroic militias repelled the mercenaries, who sustained two casualties. While fleeing, the contras kidnapped two civilians.

Also on 17 September a group of approximately 70 contras tried to enter our territory, clashing with our EPS troops in the Valle la Danta and Paso Hondo area, 12 and 14 km northeast of Somotillo, Chinandega Department. Our troops inflicted one casualty, captured one contra, and seized an AK rifle, forcing the contras to return to Honduran territory.

As part of the campaign of terror conducted by the contras, they have carried out the following kidnappings, ambushes, and sabotages:

On 16 September a counterrevolutionary group kidnapped 12 peasants in the El Nancital Hill area, 21 km west of San Juan de Limay, Esteli Department.

On 13 September a civilian vehicle was partially destroyed by the explosion of a mine placed by the contras in the Cuesta de Gallina area, 16 km southwest of Wiwili, Jinotega Department, which resulted in two civilians dead and one injured.

On 11 September a counterrevolutionary group sabotaged two power pylons in the Cuesta La Leona area, 6 km northwest of Nueva Guinea.

MINISTRY CLAIMS 49 CONTRA CASUALTIES IN 3 DAYS

PA230047 Managua Radio Sandino in Spanish 1200 GMT 20 Sep 85

[Text] A total of 49 counterrevolutionaries were killed in clashes with troops of the Sandinist People's Army and special troops of the Interior Ministry, MININT, during 3 days of clashes in various areas of the Region 6, a Defense Ministry source has reported.

The military bulletin reports that MININT troops annihilated 30 mercenaries on 16 September on Alambre Hill, 24 km east of the mining town of Bonanza in the Atlantic coastal area. The bulletin adds that the people's Armed Forces also seized 18 rifles of various caliber and a large amount of war materiel. It was also reported that a former Somozist guard was killed in combat in the place known as El Naranjal, 11 km north of Siuna. The report adds that, also on 16 September, Sandino's cubs clashed with a counterrevolutionary cell for several hours 26 km north of Mulukuku in central Zelaya. Five mercenaries were killed in this clash.

CONTRA MINE KILLS 13 CIVILIANS IN NUEVA SEGOVIA

PA241503 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 23 Sep 85

[Communique issued by the Defense Ministry Directorate of Public and Foreign Relations on 22 September]

[Text] Today at 1130, 15 km between Wiwili and Quilali at a place known as (La Pomposa) in Nueva Segovia Department, a counterrevolutionary mine blew up a civilian truck carrying 15 passengers. The explosion caused 13 deaths, among them several children. The survivors were one 2 and 1/2-month-old child and one adult.

[Signed] Managua, 22 September 1985
Defense Ministry Directorate of Public and Foreign Relations

FDN ISSUES REPORT ON AUGUST OPERATIONS

PA222148 Bogota EL SIGLO (NICARAGUA HOY Supplement) in Spanish 11 Sep 85 p 4

[Capitalized passages published in boldface]

[Text] The National Directorate of the FDN [Nicaraguan Democratic Force] reports that it now has the equipment needed to face the awesome Soviet-made Mi-24 [helicopters]. These helicopters are also being used heavily in the Afghanistan war.

In addition, the directorate announced that those helicopters cause more harm to the civilian population than to the anti-Sandinist rebels, ARGUING THAT IN ESTELI THE DAMAGE TO THE FDN IS INSIGNIFICANT when compared to the damage to the civilian population.

Moreover, the directorate disclosed that during August the FDN downed seven helicopters and a push-and-pull [preceding phrase in English] airplane, including an Mi-8 helicopter in which the three crewmen on board were killed. The BREAKDOWN of the helicopters downed is as follows:

On 1 August a helicopter and a "push-and-pull" were downed in La Trinidad, Esteli; on 6 August a helicopter was downed in La Calamidad, Boaco; on 10 August two more helicopters were downed in El Zapote, Jinotega; on 12 August one helicopter was downed in Las Mesas, Esteli; on 16 August an Mi-8 helicopter was downed near the Blanco River, Matagalpa; and on 23 August the seventh helicopter was downed and its three crewmen killed.

From 1 to 23 August 1985 the FDN engaged in 99 clashes. According to a detailed FDN report, there were 31 clashes in Jinotega; 23 in Chontales; 18 in Matagalpa; 12 in Esteli; 8 in Zelaya; 4 in Boaco; 2 in Leon; and 1 in Madriz.

The report added that during these clashes 14 IFA trucks, 2 station wagons, and 2 State Security jeeps were destroyed. In addition six garrisons -- three in Chontales, two in Esteli, and one in Jinotega -- were destroyed. Moreover, seven helicopters and one push-and-pull were downed, one armored personnel carrier and two rowboats in Mico River, Chontales Department. [sentence as published]

The FDN seized 197 AK-47 rifles, 110 220mm rounds, 5 RPG-7 rocket launchers and 73 rockets, 1 82mm mortar and 73 grenades, 2 60mm mortars, 5 heavy machine guns, 51 hand grenades, 57 rain ponchos, 70 hammocks, 238 pairs of boots, 100 vests [pecheras], 100,000 cordovas in cash, bayonets, uniforms, and caps.

According to the report, during this period the Sandinist Army sustained 1,376 casualties, including dead and wounded. Officers Juan Rocha Cruz, Juan Jose Alvarado, Maximo Zamora Murillo, Victor Guevara, Jose Bayardo Pineta G., Hugo Garay, Miguel Angel Portillo (internationalists), one officer identified as Marcos, one other unidentified internationalist were killed.

UNO-FARN REPORTS MILITARY ACTIONS IN NEW AREA

PA200234 Bogota EL SIGLO (NICARAGUA HOY supplement) in Spanish 11 Sep 85 pp 1, 3

[Text] During the last week of August and the first days of September the anti-Sandinist military organization UNO-FARN [National Opposition Union-Revolutionary Armed Forces of Nicaragua] reported a number of important actions in Nicaragua's southeastern region and the extension of its war front in areas where it had not previously carried out military operations.

Spokesmen of the UNO-FARN, headed by Commander Fernando "El Negro" Chamorro, reported that at 1730 on 25 August there were clashes with the Sandinist Army in Cerro El Buey, located between Colon and Papaturro, south of Lake Nicaragua.

Two combat units led by rebel commanders "Charol" and "Chontales" exchanged artillery and rifle fire with the enemy, inflicting eight casualties who were later identified as: EPS [Sandinist People's Army] Sergeant Napoleon Calero Gaitan, Bernardo Moran of the militias, Rafael Antonio Espinoza of the obligatory military service, Jose Gabriel Espinoza of the EPS, Salgado Chavarria Rosales of the militias, Ronaldo Montiel, recruit of the military service, and Antonio Espinoza Sandoval, also of the military service.

On 29 August, after 2030, units of the UNO-FARN led by squad chiefs "El Buitre," "Adalfa," and "Pedro" attacked Sapoa, La Tigra, and Cardenas in a coordinated manner. These locations are in southern Rivas Department, approximately 25 km from the departmental capital.

According to the rebel spokesmen, the EPS suffered four casualties in Sapoa and six casualties in La Tigra. The rebels admitted one casualty in their ranks. The electricity substation in Cardenas was damaged in a sabotage action that interrupted electrical power.

An encircling operation by the EPS to capture the rebel unit that carried out that sabotage was unsuccessful when the insurgents broke through the enemy siege and safely withdrew to their camps in southern Nicaragua.

At approximately 1400 on 2 September a combat unit led by "Emiliano" clashed with an EPS patrol near La Esperanza, 4 km south of San Carlos, departmental capital of Rio San Juan. This is the first time in recent months that a clash has occurred outside the area south of the lake, where the UNO-FARN guerrillas had been operating. This is viewed as an action by "El Negro" Chamorro's group to move toward Rio SanJuan Department. The rebels reported six enemy casualties and one serious injury in their ranks.

The EPS casualties were identified as Felip Cruz, squad chief of the 2d Military Region mobilized to the south, Jesus Blandon of the EPS, Tito Estrada of the EPS, Alberto Lopez of the EPS, and two wounded soldiers who fled.

GOVERNMENT DECLARES ALERT AGAINST DENGUE

PA232233 Managua Radio Noticias in Spanish 1200 GMT 23 Sep 85

[Text] Managua, ANN, 23 Sep -- Effective today, 23 September, the Sandinist government has announced the establishment of a national anti-epidemiological state of alert because of the current epidemic outbreak of common dengue that has affected half a million persons in this capital alone. An air and surface fumigation campaign has been underway since the 1st week of September to eliminate the aedes aegypti mosquito, the dengue vector, because those affected by the disease are more likely to be stricken by hemorragic dengue, which is considered fatal.

All health centers and posts will extend working hours to 12 hours effective tomorrow. Hospitals will give emergency attention and will report on a daily basis all those cases believed to be dengue, which is also known as the breaker [la quebradora]. Also effective today, other specialized clinics will give medical attention to any person with the following symptoms: fever, muscle and joint pains, pink skin rash, and bleeding in the mouth, nose, or any other part of the body.

The anti-dengue medical attention will be given at all health centers in the country, including factories and institutions, which must report all cases immediately. Popular health brigades are currently participating in fumigating activities and are distributing larvicides as part of a campaign to exterminate the mosquito, in order to counter the growing incidence of dengue among the Nicaraguan population over the past few months.

In addition, the popular brigades will increment sanitary and cleaning operations in an attempt to eradicate the aedes aegypti breeding points by visiting all houses, working centers, and schools. According to official reports, at least 5 of every 10 persons have been affected by dengue. Nicaragua's current population is approximately 3 million inhabitants, almost one-third of whom live in Managua.

CASTRO, PERUVIAN JOURNALISTS DISCUSS PERU'S DEBT

FL231559 Havana Television Service in Spanish 1734 GMT 19 Sep 85

[Responses by President Fidel Castro to questions posed by unidentified Peruvian reporters during the 19 September morning session of the Latin American Press Forum on the Regional Financial Crisis, held at Havana's Palace of Conventions; monitored in progress -- recorded]

[Text] [First Journalist] Yes.

[Castro] Of the country's total exports?

[Journalist] Yes, of the exports, clearly. Included in that are utilities...

[Castro interrupts] Yes.

[Journalist] ...loans, service payments, and depreciation. Therefore it is not a figure that can be considered corporative yield alone. There are depreciation and service payments.

[Castro] By any chance, do you know what percentage is assigned to pay the debt?

[Journalist] To pay the debt?

[Castro] Yes. Because if a certain percentage of exports is used to pay the debt, how much is used to pay...

[Journalist interrupts] From the period 1968-1984, 12.8 percent was used to pay interest on the public debt.

[Castro] But then the figures are not reconciled. For each $100 exported, $84.4 is taken out for financial yield.

[Journalist] The data is not reconciled because the concept that there is of yield, or rather utilities and services of the engineering petroleum companies, referring to the 14 percent that I pay, right?

[Castro] Yes.

[Journalist] That concept is not all corporate yield. It is part corporate yield and the other part is [does not complete sentence] Corporate yield is understood as utilities and housing alone. Correct?

[Castro] Yes, yes.

[Journalist] Everything that is depreciation of capital, loan payments, and service payments that oil companies pay in foreign areas, that is not corporate yield. Then the figure that I give of 14 percent...

[Castro interrupts] What concept would you have then? From financial yield?

[Journalist] No, no, what I say is [interrupted unidentified speaker] Pardon me? [words indistinct]

[Journalist] Oil company cash flow. The cash flow from the oil companies and what they send to the exterior is 14 percent of their exports but all incorporated.

[Castro] Fourteen percent of the total exports of the country?

[Journalist] That is the way it is. [Words indistinct]

[Castro] [Words indistinct]

[Journalist] Yes, it is that way or...

[Second Journalist interrupts] In this percentage, what would the corporate yield be?

[Journalist] It would be 7 percent, half. It would be half. The corporate yield would be some $200 million.

[Castro] Corporate yield, and the rest?

[Journalist] As I said, the rest is depreciation, loan payments, interests, and service payments.

[Castro] What you are trying to say is that today in Peru, at this moment, the question that I want to ask and I ask the question because it seems to me, I did not understand how it could be 15.6 and 84.4 -- the first corresponding to the corporate and the other to the financial yield. On the other hand to have it be so high on the side of the foreign businesses. What you are saying is that in Peru, the money leaving the country through foreign investment is greater than that leaving due to service of debts.

[Second Journalist in background] No, no, no.

[Journalist] I would have to clarify the concept between debt interest, amortization is still lacking, but it [words indistinct] $400 million.

[Castro] What relation [words indistinct] the current... [does not finish sentence] Together, they are $400 million.

[Journalist interrupts] Four hundred million.

[Castro] Then it is exiting through that route, or they would have to exit. They are not exiting because it has been a year since anything has left from there.

[Journalist] Yes, it is that way.

[Castro] Payments have been submitted for at least a year, since October I think.

[Journalist] Yes, that is correct.

[Castro] Or before, no?

[Second Journalist in background] June, May, May, or June.

[Castro] From May or June? Nothing has been done to pay the debt?

[Second Journalist] [Words indistinct] has gone out.

[Castro] [Words indistinct] Good, then, how much will go out of the country if they pay what the others are paying without amortizing?

[Journalist] Approximately it would come out to...

[Castro interrupts] What is owed is exactly $14 billion.

[Journalist] Fourteen billion.

[Castro] Or 14.5 billion. Let us assume it is 14 billion. Then it would have to come strictly from interest. What is the average interest payment on $14 billion?

[Journalist] It is 10 percent, 11 percent.

[Second Journalist interrupts] The official expenses, as Fidel said, are the following: expired compromises that will not be paid by this government. The total amount is $5.1 billion.

[Castro interrupts] Yes, but chat includes amortization, too.

[Second Journalist] Including amortization, interest rates and [does not finish sentence] Amortizations were not paid from May to June 1983. Then small amounts were paid to amortize interests for [word indistinct] term.

[Castro interrupts] The interests payments have also been suspended for some time. Interest rate payments have been behind schedule by more than $1 billion.

[Journalist] Yes, that is correct.

[Castro] I believe it was about 1.2 or 1.4 billion -- something like that.

[Journalist] Yes, that is correct.

[Castro] Now, the debt is around 14 billion, I do not have the exact figures here now. I believe I heard that it is 14.5 billion. I would like to know the average interest payments that would have to be made if the average was 1 or 1.4 billion on which the country would have to pay interest. [unidentified speakers can be heard discussing this in background]

[Journalist] The average interest rate of Peru is equal to LIBOR plus 2 1/4.

[Castro] That is 2 1/4?

[Journalist] That is 2 1/4.

[Castro] It is that high? Have you ascended to the category of...

[Journalist interrupts] [Words indistinct] Yes, we are almost broke. That takes us to 11 and 3/4.

[Castro interrupts] But your loans from international organizations like the World Bank, what interest do they have? Do they have a fixed interest rate?

[Journalist] It seems to me that they have 9 percent.

[Castro] When you speak about 10 percent, that is a type of average between the mid-term debt and the short-term debt and the long-term debt.

[Journalist interrupts] It is a little more because it is between 11 and ...

[Castro interrupts] It can be calculated without exaggerating not less than 10 percent of what has to be paid in interest.

[Journalist] Yes, that is correct. Yes, that is correct.

[Castro] And of these corporations, what we call corporate yield for itself, not for service payments...

[Journalist interrupts] Not for service payments.

[Castro] Yes, 200 million.

[Journalist] Yes, 200 million.

[Castro] It is being paid seven times over. They would have to send out seven times the amount due to the interest on the debt.

[Journalist] Yes, that is correct.

[Castro] [Words indistinct] We do have an idea, right, because as I said yesterday, apart from the fact that almost $9 out of every $10 that leaves Latin America are conceptually day-to-day payment of the debt. That is why I did not see the magnitude of what is appearing by shipment, even though I am in agreement with what you are saying that it is bleeding the country. When you talk about the years 1951 to 1955, only foreign investments were discussed.

[Journalist] That is correct.

[Castro] When the revolution triumphed the problem of the debt did not exist. The debt did not enter. We only spoke about withdrawal exploitation, which indicated foreign investments. During the course of these years, a problem has occurred that did not exist. Of the money produced in that country, 90 percent is withdrawn. They have much less than investments. The money was administered into investments. Items were fabricated to obtain yield. The others left almost nothing. The problem, the grave, tremendous problem is the level of what needs to be extracted.

When I was pondering this problem, I decided that this is not the most important. This is one of the reasons that I do not become enslaved to the two demands, that logically they are combined into one national revolutionary, patriotic program. The debt is the axis, the center. The debt is not the cause, it is a consequence of all this. It is converted into the point of a lance to assault with, the point with which to settle the problem [words indistinct] to confront, to unite.

You speak to a citizen of foreign investment, and I am speaking about the last 100 years or so, when imperialism was spoken about so much -- now imperialism is, the old imperialism is, the investments, the finances, the financial investments.

I remember that when the Cuban revolution triumphed, U.S. investments were around $1 billion.

But during that time there was no foreign debt. So you speak about foreign investment and how it affects the economy and they are not understood as well as when these IMF measures are considered, precisely responsible for the debt and forcing this disaster; salary restrictions, price increases in transportation, food, in everything.

What do the Dominican people see? We have not mentioned them among the group of countries -- there are many recent examples. We have not mentioned the Jamaican people. Jamaica was paralyzed a few weeks ago by a tremendous strike during which government and opposition labor unions united. There was a great upheaval there. Wherever these IMF measures are adopted, measures resulting from the foreign debt -- but mainly those of the IMF in those countries -- an upheaval is produced. People see this much clearly as an investment. A more detailed explanation [is needed] so that people can understand what is taken away from the country, but, they do not see a direct relationship as they see it in the debt and its problems. And this is why I am in complete agreement with you. But of course, the present problem of the debt payments commits 90 percent of the remittance.

[Journalist] That is right.

[Castro] So it is clearer, I believe it is clearer for myself because the comrade also mentioned a figure that they paid $3.5 million from 1984-85.

[Voices in the background]

[Castro] I said 1981, I think it was 1981...1980-84, $3.5 million, gives ideas in 4 years, is it not so? Five years.

[Journalist] Seven hundred thousand.

[Castro] If it was 5 years, 700 were used for that and we are talking about 400.

[Journalist] No, no, out of an added figure, which is the exact amount, it is 3,268 but for 7 years, which is 4 (?million) a year.

[Castro] Oh, for 7 years.

[Journalist] For utilities of oil and mining plants.

[Castro] Seven times four, 28, it is 400.

[Journalist] It is 400 more or less.

[Castro] I thought it was very high when you gave the figure. But the debt service is much higher.

[Journalist] Sure, what happens is that if refinancing is considered, then at that time totals go down. Thus 2,945,000 have been paid only in interests of the public debt.

[Castro] Two thousand...

[Journalist] Nine hundred forty five million in the 78-84 period.

[Castro] Because it [the foreign debt] has not been paid.

[Journalist] Sure. It has not been paid in the last years, since 1983.

[Castro] You have 3.1 billion in exports.

[Journalist] 3.1 billion.

[Castro] Two billion nine hundred in exports.

[Journalist] Less now, 2.1, or 2.2 billion in exports.

[Castro] How? How? Now? What does it now mean? In 1985.

[Journalist] In 1984 it was 2.1 or 2.2 billion, is it not? Two billion four hundred?

[Castro] So the difference to a great extent is in what was paid. If very little was paid in interest, the difference between imports and exports, that positive balance had to be used for the payment.

[Journalist] That is correct.

[Castro] Almost all, is it not true?

[Journalist] That is correct.

[Castro] Because that is what you are paying in interests alone. So, this means that possibly you will have to use the payment if you want to balance the account. Then, in the specific case of Peru...

[Journalist] Comrade Fidel, Comrade (Campodonico) has only referred to oil and mining payments but our country has very large emporiums which make big payments. Nestles Company, for example, and I could mention 100 transnational enterprises.

[Castro] How much do you think they are paying through transnationals or foreign investments?

[Journalist] It is $200 million more or less.

[Castro] Not only utilities but also service.

[Journalist] That is correct.

[Castro] What kind of services? Give me an example.

[Journalist] No, this comes from somewhere else.

[Castro] Will 700 million be coming from foreign enterprises?

[Journalist] More or less.

[Castro] Well, it makes sense because 2,400 plus 700 is 3,100, but you say you are paying very little interest, in small amounts.

[Journalist] A little bit.

[Castro] But you are in that bracket, you are paying between 500 and 700 million. Because your problem is not like Brazil's. Brazil had 13 billion balance. Thus, if Brazil did not have to pay interest it would have a lot of cash on hand.

Argentina would have from 5 to 6 billion. It would have cash on hand. Mexico, 12 or 13 billion if it did not have to pay those interest, would have cash on hand. Now, you stop paying interest and do not have cash on hand. You would have about 200 million if you did not have the payment from the private [companies] in relation to the exports you had. Now, you do not have cash on hand and in addition to that you have to pay 700 million. I do not know how much Brazil pays, because I think Brazil... It has been explained to me that Brazil has certain limits, I think it has certain limits on its payments.

[Journalist] They are limited by the [words indistinct] law, the law on payments and profits to a 10 percent [words indistinct].

[Castro] Ten percent of the capital?

[Journalist] Ten percent of the capital [passage indistinct]. This is why we need to make direct investments almost like the Peruvian comrade is saying, it is exactly the same thing. They bring it as loans, consequently they flout the law. They avoid it. They avoid the control of flight of profits.

[Castro] Because they pay it through the payment of loans.

[Journalist] They paid them as interests, as interests. Do you understand? This is a way to avoid the law. And the Brazilians assume the debt over there. They make a direct investment and to make a direct investment in Brazil is a great business. I am going to give an example, the Citicorp, the greatest financial complex in the world, of its total capital, 6 percent, 6 percent [repeats himself]. In 1983, it obtained 25 percent of its total profits. With 6 percent of its total capital it had 25 percent...

[Castro] Despite of this 10 percent limitation?

[Journalist] Yes, but it does not keep capital in the country. It does not send all that capital abroad because it has to pay a lot of taxes.

[Castro] It reinvests it?

[Journalist] It reinvests it. And this is why they control more and more of the domestic economy.

[Castro] But I have been told that the transnational enterprises.... For example, foreign investment in South Korea amounts to over 20 percent. There is some profit. And I have asked, why so much investments? It appears that the profit some countries obtain is higher than countries like Brazil get from the transnationals.

[Journalist] Yes, those oriental countries are in worse shape yet. They are true colonial factories where there is no control, it is much worse.

[Castro] So they take out 10 percent and with what they cannot take out they increase their investments inside the country.

[Journalist] They reinvest it. Exactly.

[Castro] If they have a hypothetic profit of 100 million and they could only keep 50, they could only pay 50. They invest 50. If they are going to invest in new industries, and those new industries require equipment imports, how do they pay for those equipment imports? With the state's money, the country's, of the bank's?

[Journalist] They buy it with foreign loans. Many times, with loans of their own....

[Castro] No, because the foreign loan would be a new investment, while they already have 50 million there.

[Journalist] No. They grow more and more, expanding their activities. Today, in Brazil, the transnationals, Volkswagen for example, in addition to controlling 35 percent of the automotive market, owns 300,000 or 400,000 hectares of land and are expanding their activities more and more to other sectors, and gaining control of more and more.

[Castro] But they buy that land with the money they cannot send out of the country.

[Journalist] Exactly, with the money they cannot send out.

[Castro] What I want clarified is the following: A Brazilian capitalist wants to make an investment of 10 million but has to spend 4 million in convertible currency. Where does he get the foreign exchange? Does the bank provide it?

[Journalist] Yes, the bank provides it.

[Castro] For investment.

[Journalist] Yes.

[Castro] Good. If a transnational enterprise earns 100 million and remits 50, it has 50 in the national currency.

[Journalist] Yes.

[Castro] So, to make a new investment and buy equipment, it could use this national currency without having to import money, buy foreign exchange abroad.

[Journalist] Yes, it could.

[Castro] Just as a capitalist does.

[Journalist] It could. Today, Brazil imports very little equipment. Its basic industry supplies 90 percent of industry's needs.

[Castro] Here's another question. Let's see if someone can give me some idea.

[Journalist] Commander! The law that governs the remitting of earnings limits remittances to 10 percent of the capital investment.

Transnational enterprises have two strategies. The first is not to keep all their assets in Brazil. They prefer to have assets they can send out of Brazil at any time. Second, under Brazilian law and certain agreements on double taxation with the U.S. and European Governments, remittances of interest are exempt and do not pay taxes. So the transnational enterprises can make investments in Brazil. For example, Exxon invests in Chase, and Chase lends the money out at interest to the Brazilian subsidiary. Of the $104 billion foreign debt, the liquid net investment of capital of foreign transnationals was $15 billion; this is the capital stock. Plus $5 billion, which is precisely the reinvestment of earnings in Brazil that were not remitted abroad, that is, one third. A large part of the remaining profit is remitted abroad as interest.

[Castro] Of course. They get their money out in two ways: as profits and as loans.

[Journalist] Yes.

[Castro] So they are removing what could properly be called invested capital.

[Journalist] Yes.

[Castro] In addition to earnings.

[Journalist] I would like to call the commander's attention to a very important aspect that can alter the entire foreign debt problem, transforming it into a much more massive occupation of the entire continent. Here is a note that on 1 February 1984 the Federal Reserve Board, through Regulation K, document RA498, authorized U.S. banks to accept payment of Third World debts in local currencies. This means that the Federal Reserve Board has opened the possibility for debtor nations to pay their debts with nonconvertible currencies. Mexico can pay in pesos and Brazil in cruzeiros. This has been in effect since the beginning of 1984. Look what this means. What will they do with Mexican pesos and Brazilian cruzeiros, which are good only for papering walls? The idea is to use that money to buy what remains of the national economy in our countries, basically profitable state enterprises such as Brazil's Petrobras and the (Balle de Geodesy) Company, which exports 56 million tons of iron ore, and other such enterprises. This is a new step towards total occupation. But not to buy only stocks; they will also buy land. At this moment, the sale of (Cagasas) is being negotiated. It is located, as you may have read, in Amazonas and is the richest region in the world in minerals and other natural resources. I have a description here. They are negotiating this surrender with the Japanese. An organization of the Japanese Government is neogitating the installation in the central plateau of Brazil, in Goias State, in Minas Gerais, in the heart of Brazil, of agriculture of advanced technology. A pilot plan exists and has been operating for 3 years on 100,000 hectares. The entire plan is for 50 million hectares. Translated to kilometers, this is 500,000 square kilometers. This area would be exploitated by 10,000 [as heard] farmers, divided as follows: one third from the peasants living there, who are very poor, sick, undernourished, ignorant, with no technology. One third from peasants brought in from the southern Brazilian states, who are descended from Italians and Germans, with a moderate level of technology. And one third from Japan, Japanese immigrants. No fewer than 3.3 million Japanese would enter Brazil. They would have capital and highly developed technology.

We know that U.S. imperialism is no longer the most advanced; Japanese imperialism is. We know that at this time Japanese investments worldwide are beginning to exceed U.S. investments and are even invading the United States, where they have bought 400 or 500 large enterprises.

[Journalist] It would be a joint enterprise, but since the Japanese would bring in the capital, the technology, and an expert labor force, they would control this whole area in 5 or 6 years. In the heart of Brazil, we would have a branch of Japan, a Japan II, measuring 500,000 square kilometers, which is three or four times bigger than Cuba.

[Castro] They would have one third of that, one third of the 500,000 square kilometers.

[Journalist] They would end up by taking it all over because what does capital impose except its total control?

[Castro] I see. How much does Brazil remit in profits nowadays? With that 10 percent, how much is remitted? $2 billion, $3 billion?

[Journalist] Remittances of profits?

[Castro] Yes.

[Journalist] It must be approximately 1 billion.

[Castro] One billion. And in interest? More than 10 billion?

[Journalist] No. In interest, 13 billion.

[Castro] Thirteen billion. They would have left what they are paying in interest but you would have nothing left. Speaking of Peru, eh? That is, the cancellation or nonpayment of the debt means Brazil would have more money available, a large amount, immediately.

[Journalist] Yes.

[Castro] But Peru would not. It would not mean that for them because they have hardly any surplus, and what they have to remit to the private enterprises is a much greater amount. I have another question: In an average industrial or agricultural investment in Brazil, what part of this investment, what part does this investment require be made in foreign exchange? With reference to an industry that costs $10 million or its equivalent, with plans, projects, construction, everything.

[Journalist] Considering that we have well-developed basic industry today, factories that build factories, that even have very great idle capacity...

[Castro interrupts] Yes, yes. But in an investment of 10 million, how much would have to be spent in convertible currency?

[Journalist] Not more than 10 percent, the rest...

[Castro interrupts] One million.

[Journalist] Exactly.

[Castro] Let's suppose it was two.

[Journalist] For example, (Itaipu), the turbines of (Itaipu), which are the biggest ever built to date, 700,000 kilowatts each, were built in Brazil.

[Castro] In Brazil itself. What you mean is that when you make an investment the cost in foreign exchange is less than in other countries.

[Journalist] Yes.

[Castro] Does this perhaps mean that $10 billion invested in development -- let's imagine it were invested in development -- would mean yearly investments of around $30 or $40 billion?

[Journalist] Possibly.

[Castro] Does this perhaps mean that Brazil could finance its own development if the debt were cancelled?

[Journalist] Totally.

[Castro] With no need for loans?

[Journalist] Totally. Because, look: It would have no need at all, if it stopped paying those 13 billion it paid in interest. It spent more to subsidize exports than it lost in trade, to be able to export. [as heard] The total is 23 billion. With this $23 billion, the process of development would begin again in an accelerated fashion. Outside money would not be needed. I am absolutely convinced of that.

[Castro] This is exactly where the difference is in the situation of many other countries, in which the problem has no immediate solution even if the debt is cancelled. I have been told that to reactivate the economy, imports would have to be increased to more than 3 billion. Is that true, in Peru? I have been told that to reactivate the economy, imports of not less than 3.5 billion would be needed. Is there, have you made, any study on this subject, on what Peru needs to reactivate its economy? What would the deficit be if it stops all payments and exports only 3.1 billion?

[Journalist] Over elasticity of imports in the Gross Product, and we get 1.23, with which to grow at a rate of 7 percent; [as heard] we pass for $2.4 to $3.5 million and have to grow at the rate of 7 percent for 5 years to regain the gross product we had in 1976.

[Castro] To regain the 1976 level?

[Journalist] Yes, 1976.

[Castro] How many years?

[Journalist] We have to grow at a 7 percent rate until 1990 to achieve the level of 1976.

[Castro] How much have you dropped back?

[Journalist] We are at the 1962 level.

[Castro] What year?

[Journalist] 1962.

[Castro] Did he say 72?

[Journalist] Nineteen sixty two.

[Castro] They are at the level of 1962!

[Journalist] We have lost 24 years of economic development.

[Castro] Are you referring to the Gross Domestic Product or the per capita product?

[Journalist] Per capita.

[Castro] Because the population decreased.

[Journalist] No. And because the Gross Domestic Product dropped by 20 percent.

[Castro] I mean both. And you need until 1990, 5 years growing at a 7 percent rate. What about imports? A minimum of imports of raw materials is required.

[Journalist] Of course.

[Castro] And I suppose you have an automotive assembly industry. Will you need a lot of automobiles from 1986 to 1990?

[Journalist] Part of the proposal....

[Castro interrupts] What a tragedy! If you don't import, the factory has to close down, and unemployment increases. You have to produce automobiles. In the first 10 years of the revolution, we did not import one automobile. In 10 years! And we import cars now in modest quantities from socialist countries. That is, we pay for them with higher priced products. But the productive structure is tragic. When you speak of growing at a 7 percent rate, in what areas are you going to grow, when just maintaining production implies a great number of useless expenditures in convertible currency. What percentage of the automobile assembled is produced in the country?

[Journalist] Almost no part. For that reason, our proposal was based on technological change. We believe Peru is an extreme case, as is Bolivia. Bolivia is the most extreme, but it is basically the same phenomenon. For this reason I said -- And I believe it was not well received in the hall -- that the problem is not the debt. Let's say we stop paying the debt; what do we do afterwards? We have to think about what we are going to do with our economies afterwards. I know that in this forum this is not well-regarded but we must think about tomorrow. We must begin to assume that we are not going to pay; this must be the basic position. But beginning with nonpayment, what are we going to do with our productive apparatus? What are we going to do about technological change and trade among us? Because if we do not, there is no solution for Peru or for Bolivia.

[Castro] At what rate do exports have to grow?

[Journalist] Exports have dropped...

[Castro] Not exports, imports.

[Journalist] Imports grow by 1.23 percent for each 1 percent of the growth of the gross product -- imports -- so 7 percent growth of the imported growth product is almost 9.

[Castro] In millions of dollars. We would have to find out the amount in millions of dollars.

[Journalist] Of 240 billion...

[Castro] Because you say you are importing 240 billion.

[Journalist] That is correct. So, 9 percent of that is.... [voices in the background] 10 percent, would be 240 each time. Do you agree?

[Castro] No, because you mentioned gross product.

[Journalist] No, of imports.

[Castro] What?

[Journalist] In other words, 1 percent of the imported gross product growth requires a growth of imports by 1.23 percent.

[Castro] That would be 1.23 percent.

[Journalist] It is very flexible.

[Castro] I am looking for that 1.23 percent.

[Journalist] For each 1 percent of growth. Thus, 7 points of growth of gross product amounts to 8.4 percent of imports.

[Castro] You would have to begin importing less than 3 billion to start to grow. Less than 3 billion.

[Journalist] Yes, it would be 2.7 billion to start to grow by 7 percent this year.

[Castro] Are you sure of that?

[Journalist] Yes, Yes, this was figured out as the Andean Pact last year.

[Journalist] [words indistinct] Chilean, the flexibility Comrade Verona mentions is similar. The figure is very similar, for each point the imported gross product, the country needs 1.5 of growth in its exports. At present, imports amount to $2.5 billion and we are at a reduced growth level, inasmuch, to return to the historic levels of growth of 3-5 percent we would have to import approximately $6 billion. I would like to add some information which could add to what the Peruvian comrade spoke about payments. In Chile's case, I believe the situation is worse because since the establishing of the dictatorship, foreign investment was given preference. In 1976, Pinochet's dictatorship established what it is called a foreign investment statute, which brought our country's withdrawal from the Andean Pact because excessive foreign capital was allowed and the excessive payment of foreign capital. At present, the situation is almost uncontrollable because what transnational companies or multunational companies pay abroad practically do not go through the national accounts.

There are some pathetic cases of mining enterprises, like the case of (St John Minerals) which exploits a multimetal deposit of gold, silver, and copper and practically all its exports are unprocessed. The country has no record of the level of exports in that field. Also, there are cases in the livestock-agricultural sector and the forestry sector, whose exports are unprocessed so the country does not have absolutely any sovereignty and the government does not demand a kind of measurement to monitor at least what amount is exported. The only thing these transnational companies have to pay is 50 percent taxes of the profits they report. However, we do not have evidence of the amount they really export. So, in that sense, I believe our country's situation is much worse.

[Castro] I wanted to ask another question to the Peruvians. In those 2.4 billion in export is not included the expense incurred , for example, in Peru's tourism, of the people who travel to Miami, or the United States.

[Journalist] No, it is not included. That is included somewhere else, in the service sector.

[Castro] Have you figured it out?

[Journalist] [words indistinct]

[Castro] Yes.

[Journalist] I believe its $500 million.

[Castro] That is spent in travel. Are you sure? Is it not too much?

[Journalist] No. We also have an additional figure....

[Castro] Let me ask you something else about that. I am wondering how much of these 2.4 billion represents luxury expenditures that could be repalced by medicines or foodstuffs? Is there a figure? Have you quantified luxury expenditures?

[Journalist] Yes. the 2.4 billion level represents a drop in exports from 4 billion. Our import level collapsed...

[Castro interrupts] And what are you importing now with those 2.4 billion?

[Journalist] Basically foodstuffs, spare parts, and medicines.

[Castro] Exclusively.

[Journalist] We are at absolute bottom.

[Castro] Luxury expenditures have been eliminated?

[Journalist] Yes.

[Castro] Completely?

[Journalist] Yes.

[Castro] What about component parts for the assembly plant?

[Journalist] That is important.

[Castro] But that is luxury expenditure.

[Journalist] I do not know the figure by heart but it has dropped also.

[Castro] How many workers depend on these automotive assembly plants? I am not talking about trucks, which are needed for production. I am talking about automobiles.

[Journalist] About 4,000 workers.

[Castro] A total of 4,000?

[Journalist] At Toyota, Volkswagen, Datsun, because there are three.

[Castro] Do they assemble automobiles also?

[Journalist] This is from the era of the Velasco government. The number of companies was limited. They are Toyota, Volkswagen...

[Castro interrupts] How many new automobiles are bought in Peru every year?

[Journalist] In our best year, sales reached 35,000 assembled locally and now we are assembling [words indistinct]

[Castro] Eighteen thousand automobiles.

[Journalist] Eight thousand.

[Castro] Eight thousand.

[Journalist] Including [words indistinct].

[Castro] And in Brazil, how many new cars annually...

[Journalist] [passage indistinct] A little more than 1 million cars. Then came the crisis and the IMF. Today the sale of cars has dropped to 500,000 to exactly one half. This means recession, this means IMF policy. But Brazil is exporting more than 300,000 cars annually. What we need to know is what it costs Brazil to export those 300,000 cars.

[Castro] How many does it export to Latin America, to the Third World, and how many does it export...

[Journalist interrupts] Almost all are exported to the Third World. A few go to Sweden...

[Castro] It would be unfortunate if the Third World, following a policy of austerity to favor development, stops buying Brazilian automobiles. [laughs]

[Journalist] Yes. Exactly. Almost all go to the Third World.

[Castro] Development based on the production of automobiles is another tragedy.

[Journalist] Yes. But exporting automobiles and spare parts is not a lucrative business. It is necessary to know at what price they are exported. For example, at the present moment Fiat is producing most of its engines in Brazil and selling them in Italy. General Motors is doing the same thing to take advantage of cheap labor. In Sao Paulo, General Motor pays wages that are one twelfth what they pay in Detroit. This is another aspect of colonization. It is a new form of slavery that we have.

[Castro] It is being shown here that the situation of some countries is tremendous. I am bearing this in mind. A few Latin American countries can develop with what they are paying in interest, without one cent of loans. There is a theory that they do not want new loans. The problem to be resolved is that of the countries that have no trade surplus, which is the situation of Bolivia, Uruguay, and I suppose Peru. Even if we erase the debt tomorrow, the problem will not be solved. [words indistinct] the problem of having funds for development. And to this must be added accumulated social needs. This is frightful. There are health needs, housing needs, educational needs. I have proposed that a part or what is saved on the debt should be invested on the most pressing social needs. Well. Thank you. [applause]

CASTRO, JARUZELSKI SIGN COOPERATION AGREEMENT

FL250105 Havana Domestic Service in Spanish 0000 GMT 25 Sep 85

[Text] A long-term program for development of economic and scientific-technical cooperation between Cuba and Poland was signed this afternoon in Havana by the top leaders of the two countries. Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers, and Army General Wojciech Jaruzelski, first secretary of the Polish United Workers Party and president of the Council of Ministers of the People's Republic of Poland signed the important document, which is valid through the year 2000.

This act, marked by an embrace between the two leaders, culminated Jaruzelski's visit to Cuba which was the result of an official and friendly invitation extended by Castro.

SHULTZ REMARKS AT UN CALLED 'UNCOMPROMISING'

FL241304 Havana Television Service in Spanish 1100 GMT 24 Sep 85

[Text] United Nations -- U.S. Secretary of State George Shultz yesterday reiterated at the UN General Assembly Reagan's uncompromising policy toward the Nicaraguan people and government and attacked the governments of Cuba and the Soviet Union for developing relations with that Central American country.

However, Shultz did not mention support the United States is providing to counter-revolutionary bands, in an attempt to destroy Nicaragua's democratic process and he tried, at the same time, to praise the role of anti-Sandinist groups.

BAHAMAS

TENNECO GRANTED OIL EXPLORATION LICENSE

FL241600 Bridgetown CANA in English 1512 GMT 24 Sep 85

[Text] Nassau, Bahamas, Sep 24, CANA -- The Tenneco Oil Company, one of the ten biggest petroleum companies worldwide, has been granted its third license to explore for oil in the Bahamas. The two million acres under licence to the company are located on the Great Bahama Bank, about 300 miles southeast of Miami.

Tenneco's decision to renew its two previous licences indicates that the company has received enough geological and geophysical encouragement to examine the area in greater detail, Economic Affairs Minister Alfred Maycock said.

According to George E. Burger, Jr, vice-president of Tenneco Oil Company of the Bahamas, the next phase of exploration, which will include some drillings, will reveal more precisely what the prospects are for finding and developing commercial oil deposits in the Bahamas. Other companies holding exploration licences are: Getty Oil, Natomas Petroleum, Arco, Lonhro Energy Resources, Shell and Exxon.

GRENADA

MBPM DEMONSTRATORS AGAINST UNIONIST'S EXTRADITION

FL231500 Bridgetown CANA in English 2043 GMT 21 Sep 85

[Text] St George's, Grenada, Sep 22, CANA -- An estimated 100 supporters of the left-wing Maurice Bishop Patriotic Movement (MBPM) staged a demonstration here today, in support of a jailed leftist trade unionist who is awaiting extradition to the United States to face criminal charges.

Chester Humphrey, a former member of the New Jewel Movement (NJM) which held power from 1979 until 1983, is wanted on gunrunning charges. The arms he is accused of smuggling out of the United States are believed to have been used by NJM activists to overthrow the elected Eric Gairy administration in 1979. Both the Magistrates Court and the High Court have granted the request of the U.S. Justice Department for Humphrey's extradition. The case now awaits hearing by the Appeals Court.

Kendrick Radix, leader of the MBPM, condemned the proceedings against Humphrey in an address to the demonstrators, and called for the trade unionist's release. About 10 MBPM supporters paraded through the city streets afterwards, carrying pro-Humphrey banners.

JAMAICA

PRIME MINISTER SENDS MESSAGE TO MEXICO ON EARTHQUAKE

FL202030 Bridgetown CANA in English 1754 GMT 20 Sep 85

[Text] Kingston, Jamaica, Sep 20, CANA -- Jamaica has sent a message of sympathy to Mexico, following yesterday's earthquake that devastated that country's capital. In a message to Mexican President Miguel de La Madrid, Prime Minister Edward Seaga said he had learned of the tragedy with deep distress, and extended sincere sympathy on behalf of the government and people of Jamaica.

SEAGA SAYS IMF MEDICINE RIGHT, DOSE 'TOO HARSH'

FL232005 Bridgetown CANA in English 1749 GMT 23 Sep 85

[Text] Kingston, Jamaica, Sep 23, CANA -- Prime Minister Edward Seaga says he will tell the International Monetary Fund (IMF) it is prescribing the right medicine for Jamaica, but its doses are too harsh for the patient. An official statement quoted Seaga as saying he would take the message to next month's IMF-World Bank Meeting in Seoul, South Korea and, thereafter, to all international conferences. The Jamaican leader has said countries are given too short a period to make economic adjustments.

Seaga's remarks were issued in response to the IMF's cutting off of loans to Mexico, because of the failure of President Miguel de La Madrid to implement austerity measures. The statement said Seaga would, today, tell Mexican Ambassador Fredrico Urruchua of his intention to protest the fund's actions and loan conditions. Seaga is meeting with the Mexican ambassador to find out how Jamaica can help in the earthquake disaster, reported to have killed up to 10,000 persons in Mexico City.

Political observers here speculate that Seaga's statement was as much out of his own problems with the IMF as Mexico's.

Under Seaga, who won power after the previous socialist government had rejected an IMF package, Jamaica has failed a number of IMF performance tests and instituted austerity measures. But the economy is still in trouble and the prime minister's political stocks have dwindled.

A recent opinion poll here showed that over 60 per cent of Jamaicans wanted a change of government and that Seaga's Jamaica Labour Party (JLP) would be humiliated if an election was called.

CREDIT PROGRAM FOR FARMERS REINTRODUCED

FL191330 Bridgetown CANA in English 2147 GMT 18 Sep 85

[Text] Kingston, Jamaica, Sep 18, CANA -- Prime Minister Edward Seaga announced the re-introduction of credit arrangements for farmers to get loans using their crops as collateral, in a bid to spur food production, especially in grains and cereals. The move, Seaga said, would enable farmers without land titles to have access to available credit.

The prime minister announced the re-introduction of the scheme as he launched the National Corn Production Programme in the western parish of Westmoreland under which 10,000 acres of land has been earmarked for corn growing. The government estimates this will enable Jamaica to become self-sufficient in corn, saving between 25 million and 30 million dollars annually.

Seaga said that the idea for the credit arrangement was not new, but such a plan had failed in the past because farmers did not repay their loans.

Under the new arrangement the Agricultural Credit Bank will lend money to the community-based people's cooperative banks for on-lending to farmers. The farmer must sign an agreement with the processor of his crops for repayments to be deducted from his earnings.

TRINIDAD AND TOBAGO

MAHABIR, BARBADOS' BURKE DISCUSS RETALIATION

FL171650 Bridgetown CANA in English 1551 GMT 17 Sep 85

[Text] Port-of-Spain, Trinidad, Sep 17, CANA -- External Affairs Minister Errol Mahabir meets today with Barbados High Commissioner Walter Burke to discuss threatened retaliatory trade measures against Trinidad and Tobago, the GUARDIAN newspaper reported. According to the paper, Mahabir is also awaiting a report on the matter from Port-of-Spain's new envoy in Bridgetown, Reginald Dumas. The External Affairs Ministry was not immediately available to confirm the meeting. I have also asked the Barbados high commissioner resident in Port-of-Spain for a meeting tomorrow to discuss the news media reports. I don't know if (Barbados prime minister) Mr (Bernard) St John was properly quoted, Mahabir is reported to have told the paper. The meeting is taking place mid-afternoon. St John threatened reprisals against Trinidad and Tobago, whose import restrictions have badly hit Barbadian exports, in a speech on September 5. The removal of the restrictions is one of the requirements of the Nassau Understanding, an agreement among Caribbean Community governments aimed at boosting trade among themselves. A third deadline -- August 31 -- passed without Trinidad and Tabago, Antigua and Barbuda, Belize and St Lucia implementing the accord. Meanwhile the EXPRESS newspaper quoted a senior government official as saying that government intended to implement the agreement, but is waiting to establish much of the legal groundwork. The paper also said that Barbados Industry Minister Louis Tull paid a visit here last week, attempting to reach a resolution on the issue.

The GUARDIAN said that Mahabir and Industry Minister Senator Wendell Mottley did not comment on the reported threat from St John or what this country would do if the threat is carried out, but it quoted an official source who said that St John is looking for an excuse to blame for the state of Barbadian economy. Trinidad and Tobago as usual was the natural target, said the source. The paper says that the main bone of contention between both countries on the implementation of the accord is the placing of an additional tax on extra-regional goods, which will increase the financial burden on local taxpayers.

CTC CLOSES OPERATIONS, THREATENED BY UNION

FL171555 Bridgetown CANA in English 1512 GMT 17 Sep 85

[Text] San Fernando, Trinidad, Sep 17, CANA -- The powerful southern-based Oilfield Workers' Trade Union (OWTU) has told the management of Caribbean Tyre Company (CTC) -- formerly Dunlop -- to re-open operations by tomorrow morning, or else workers from the area will do it for them. The threat came fom OWTU First Vice-President Errol McLeod during a solidarity march in the southern oil town of Point Fortin over the weekend. McLeod asked all workers, both those previously retrenched and those who were employed until CTC closed down its operations last Thursday, to be present tomorrow at 8 a.m. CTC said it closed down operations because there had been a period of violence and lack of cooperation at its premises since its announcement to restructure and retrench workers two weeks ago. The company says it is awaiting word from the Labour Ministry for emergency talks.

Meanwhile, McCleod also announced that workers at the marine oil company -- Trinmar -- are planning to stage a work stoppage over their failure to reach a wage contract. Last Friday, some workers at the national oil company -- Trintoc -- took similar action for the same reasons, although Trintoc officials said that operations had not been affected.

GREEN HAS 'NO PROBLEM' GIVING HOYTE FULL SUPPORT

FL231550 Bridgetown CANA in English 2054 GMT 22 Sep 85

[Text] Georgetown, Guyana, Sep 22, CANA -- Guyana's Prime Minister Hamilton Green says he has no problem in giving new President Desmond Hoyte his full support. Green, interviewed by the ruling People's National Congress (PNC) party newspaper, NEW NATION, said the two men had enjoyed a ddep friendship for many years. It's my view that the unity of the People's National Congress is the most important thing, he remarked.

He said he respected Hoyte as a lawyer, an intellectual and someone committed to the cause. I have no difficulty in serving and giving him my full support, so that we can succeed in the task at hand, Green said. Some regional and international press reports had suggested there would have been a power struggle between Green and Hoyte, following the death of President Forbes Burnham last month.

Prime Minister Green said people had written all sorts of things in the overseas press about relations between the two government leaders. There have been attempts to create mistrust within the ranks of the ruling People's National Congress, he said.

People can attempt to create mistrust and, of course, there have been such attempts. You have seen the overseas press, where people have come up with all sorts of suggestions, he added.

The prime minister said the importance of supporting the one leader and one president is vital at this stage. I gave that promise and I gave that commitment. He said there would not be any power struggle within the ruling party. There was a strong executive within collective responsibility, Green added. [sentence as received] He suggested: Anyone who attempts to break ranks in any way within the PNC should be severely dealt with in the party, and outside the party. Naturally, there are people who have been attemping to make mischief. I am aware of this.

AGREEMENT WITH TRINIDAD TO MODIFY PAYMENTS SYSTEM

FL231621 Bridgetown CANA in English 1921 GMT 22 Sep 85

[Text] Georgetown, Guyana, Sep 22, CANA -- The Bank of Guyana and the Central Bank of Trinidad and Tobago have agreed to modify the system of bilateral payments in settlement of trade between the two countries, according to a statement from the Bank of Guyana. The changes will take effect on October 1.

Guyanese wishing to import from Trinidad and Tobago, including those already holding licenses, will need to obtain specific approval from the Bank of Guyana regarding the availability of foreign exchange to settle each transaction, the local bank explained.

In keeping with the modifications, Trinidad and Tobago's exporters selling to Guyana must ensure that the Guyana importer is in possession of appropriately documented approval issued by the Bank of Guyana, attesting to the availability of funds to settle each transaction, the financial institution said.

The implication of the modified arrangement, according to the bank, is that there will have to be matching of Guyana's rate of imports to Trinidad and Tobago. According to the statement, the necessary response from the Guyana side will have to be a combination of conservation of its use of petroleum products, and an acceleration of its export drive to the twin island Republic.

Trade between foreign exchange-troubled Guyana and its Caribbean Community (Caricom) neighbour had been snarled by Georgetown's failure to clear its debt of about 400 million TT dollars (one TT dolar: 41 cents U.S.). The money covers balance of payments support and supplies of petroleum.

The Bank of Guyana said the export drive is to be facilitated since the modified arrangement will not affect Trinidad and Tobago importers, who will proceed in the usual way to obtain licences and foreign exchange approval from the local authorities.

A trading imbalance has persisted in Trinidad and Tobago favour, primarily because of the level of Guyana's imports of petroleum products from that country.

Trinidad and Tobago is Guyana's major trading partner. Officials of the two countries have been discussing the problems associated with this imbalance, with a view to holding in a manageable position Guyana's indebtedness to the twin island Republic.

GOVERNMENT STEPS UP SUGAR PRODUCTION

FL231740 Bridgetown CANA in English 2002 GMT 22 Sep 85

[Text] Bridgetown, Guyana, Sep 22, CANA -- Guyana has stepped up sugar production, reaching 60.8 per cent of its target for the second 1985 crop, according to the state-run Guyana Sugar Corporation (Guysuco). Last week's sugar production totalled 7,465 long-tons -- the highest weekly output recorded for the present crop, Guysuco said. Production for the current crop has climbed to 40,540 tons, which represents 60.8 per cent of the target. The total production for the year now stands at 154,770 tons.

Strikes at the [word indistinct] Diamond and Wales Sugar Estates over food shortages in the sugar belt adversely affected production earlier this month. Guysuco has been appealing to sugar industry employees to turn out for work. Sugar is one of Guyana's main foreign exchange earners.

ARGENTINA

SPAIN PROMISES SUPPORT ON FALKLANDS ISSUE

PY250245 Buenos Aires TELAM in Spanish 2344 GMT 24 Sep 85

[Text] New York, 24 Sep (EFE-TELAM) -- Foreign Minister Dante Caputo has obtained a promise from his Spanish counterpart Francisco Fernandez Ordonez that Spain will support Argentina in the debate over the Malvinas Islands which will take place at the United Nations.

Caputo visited Fernandez Ordonez at his hotel, where the two had breakfast together and discussed bilateral issues. The Spanish foreign minister reiterated that his country's position is not temporary but in keeping with the permanent guidelines of Madrid's foreign policy.

BRAZIL

SARNEY, SHULTZ DISCUSS DEBT, PROTECTIONISM

PY250239 Brasilia Domestic Service in Portuguese 2200 GMT 24 Sep 85

[Text] Economic recession, foreign debt, and protectionism by developed countries were the main topics of the 40-minute talk President Sarney and Secretary of State Shultz held this afternoon in the presidential suite of the Intercontinental Hotel.

Ambassador Rubem (Reruto) reported on the talk in the office of the Brazilian UN mission. According to him, President Sarney began the discussion by thanking the U.S. secretary of state for the letter of congratulations on the speech he delivered yesterday at the United Nations. Then President Sarney reiterated that in his speech he tried to demonstrate that he is a man with profound democratic convictions, adding that one of the main aspects of his government is to allow free political and social expression. Then Sarney mentioned the conditions under which he took power after the death of Tancredo Neves. During the talk, President Sarney emphasized the need for the Latin American countries to share responsibilities, noting that it is necessary to think together.

The Brazilian president said the foreign debt is related to social problems because the economy should be mobilized to accumulate trade surpluses. He recalled that with increasing protectionism, the country's problems are multiplied.

BONUS APPROVED FOR SOCIAL SECURITY WORKERS

PY211358 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 21 Sep 85

[Text] President Jose Sarney has sanctioned the law granting a 20-percent bonus for social security workers. The increase was announced in Brasilia by Social Security Minister Waldir Pires, who said that the bonus will be paid in October. The bonus will be calculated on a percentage of July, August, and September salaries. This law was passed by the Chamber of Deputies and Senate, and will benefit nearly 130,000 mid-level social security workers.